

## INTERNATIONAL

# Herald Tribune

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TIME WEATHER — PARIS: Thursday, cloudy early, fair 10°-11°. Temp. 7-13 (45-63). LONDON: Thursday, cloudy with some rain, Temp. 8-12 (41-54). CHANNEL ISLES: Thursday, Temp. 10-12 (52-57). FRANKFURT: Thursday, cloudy, Temp. 6-11 (43-52). NEW YORK: Thursday, cloudy, Temp. 9-19 (48-66).

ADDITIONAL WEATHER DATA — PAGE 26

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## Papal Envoy Fails To Sway Sands; Fast Continues

*From Agency Dispatches*

BELFAST — Pope John Paul II's attempt to defuse mounting tension in Northern Ireland appeared to have failed Wednesday night after his personal envoy saw jailed IRA guerrilla Bobby Sands a second time but could not persuade him to end his fast.

The Rev. John Magee, the pope's private secretary and a Northern Ireland native, visited Mr. Sands in the Maze prison on the 60th day of his hunger strike, informed sources said. The papal envoy also saw three other jailed Irish Republican Army members who began fasts after Mr. Sands.

Spokesmen for the IRA, which wants Britain's Northern Ireland province united with the Irish Republic, said the fasts would continue until prisoners' demands for special status were met.

"If the price we have to pay is lives, then the price the British will have to pay will be a lot worse," said Fergus O'Hare of the H-Blocks Committee, which coordinates support for hundreds of IRA prisoners in the Maze.

## Crisis Approaches

Father Magee flew from Rome to Belfast on Tuesday as the province moved steadily nearer a crisis, with food stockpiling food in case of outright strife between Roman Catholics and Protestants to Britain.

He appealed to Mr. Sands to end the fast, which has brought him close to death.

After that first meeting with Mr. Sands, the envoy met with Northern Ireland Secretary Humphrey Atkins. Mr. Atkins agreed to meet Father Magee "on the clear understanding that there can be no change in government policy in relation to the hunger strikers."

When Father Magee again saw Mr. Sands, it apparently was to relay Britain's refusal to meet the demands for special prison treatment. The papal representative has made no press statements, but he was quoted by an IRA spokesman as saying he would report to the pope Thursday.

## Kania Sets Congress Date, Backs Reform

By Brian Mooney

Reuters

WARSAW — Stanislaw Kania, the Polish Communist Party chief, set a firm date Wednesday for what is expected to be a landmark national party congress, and he promised to continue a process of reform and democratization.

But party leaders came under fire from disgruntled members who complained that the process was being delayed and was not meeting rank-and-file expectations.

Mr. Kania named July 14-18 as the dates for the party congress, which is expected to legitimize the labor, press and economic freedoms gained since last summer's labor turmoil.

Officials at the party headquarters in Warsaw refused, however, to allow activists from a grassroots movement to attend Wednesday's meeting of the policy-making Central Committee.

## Toru Meeting

The state radio said the group, representing activists from all over the country who held their own meeting in the city of Toru earlier this month to press for accelerated reform, were barred for technical reasons.

A letter was read at the plenum by a representative of militant workers at Warsaw's Ursus tractor plant demanding a reversal of the decision. It voiced demands, echoed by other speakers, that workers be given places on the Politburo.

The Toru group also urged their party representatives at the plenary session to lodge a formal complaint against refusal to admit rank-and-file observers.

A woman member from a textile mill in Lodz said public discontent was still strong because of increasing market shortages and problems with the bureaucracy. She called for the annulment of all laws of the past decade that "offended the sense of social justice."

Many speakers called for the dismissal of officials from both the Politburo and the 140-member Central Committee, and several attacked the authorities for their media policies.

One powerful Politburo member

## To Our Readers

Because of the May Day holiday, the International Herald Tribune will not be published tomorrow, May 1. The next editions will be dated May 2-3.



President Reagan received a thundering round of applause from members of Congress prior to his speech to a joint session of the House and Senate. Standing behind Mr. Reagan are Vice President Bush, left, and Thomas P. O'Neill Jr. of Massachusetts, the speaker of the House.

## U.S. Cautions Israel on Lebanon Moves, Calls on Moscow to Help Ease Tensions

*From Agency Dispatches*

JERUSALEM — The United States expressed "serious concern" to Israel Wednesday over the possible consequences of Tuesday's Israeli air attacks on Syrian helicopters in Lebanon and also called on the Soviet Union to use its influence to defuse the tense situation.

"It is incumbent on all governments in the world, including the Soviets, to do their best to calm the political plane," an informed source said. The meeting was held at the request of the ambassador.

Mr. Fischer, reading a carefully worded statement, also said he wanted "to make it fully clear that

the U.S. has not given a green light to Israel" for its recent military activities.

U.S. Ambassador Samuel Lewis, in a one-hour meeting Wednesday with Israeli Prime Minister Menachem Begin, said that the Reagan administration is "terribly worried" about Israel's first direct military action in support of Christian forces in central Lebanon, according to diplomatic sources.

## Change in Status

Mr. Lewis reportedly discussed with Mr. Begin how to "move from the military plane to the political plane," an informed source said. The meeting was held at the request of the ambassador.

Earlier this week, Mr. Fischer said the movement of Syrian forces into Lebanese areas that they had not previously occupied brought "a major change in the status quo" in Lebanon.

Asked what the United States wanted Moscow to do, Mr. Fischer replied: "Exercise their good offices to calm the situation."

Syria has received Soviet arms in recent years, and the two countries signed a treaty of friendship last October.

In his meeting with Mr. Lewis, Israeli sources said, Mr. Begin asked him to convey a message to U.S. Secretary of State Alexander M. Haig Jr. that Israel will not permit the Syrians to annihilate Christians.

(Continued on Page 2, Col. 2)

## A European Electronics Giant's Answer to Japan'

By Axel Krause

International Herald Tribune

EINDHOVEN, Netherlands

— A chill wind beat rows of yellow tulips outside Philips' modern manufacturing plant near the center of this trim industrial town.

Inside, beyond the well-guarded gates, hissing robots lifted color television tubes onto a computer-operated conveyor belt that quietly transferred them to driverless vehicles, which in turn zipped them to assembly stations — operated primarily by small clusters of women amid lively disco music piped in from a nearby radio station.

"This is our answer to Japan," said Jan Linschoten, an engineer with Philips, Western Europe's largest manufacturer of consumer and industrial electronics products. He explained that through automation and fewer components the time required to produce a television set at the year-old plant had been cut to less than four hours and gradually would be cut to just under two hours.

## Simple Motivation

Elsewhere throughout its operations around the world, but particularly in Europe and in the United States, Philips is implementing a determined plan to streamline manufacturing operations and management.

Primarily because of its job-eliminating impact, the plan is stirring up vehement opposition from European union leaders.

The reason for the new strategy is simple: Philips is in trouble. In that circumstance, it rep-

resents a microcosm of Europe's industrial crisis. The primary goal is success — some analysts say surviving — in one of the world's most fiercely competitive industries.

The most pressing problem for Philips and for the rest of the European electronics industry is Japan's steady inroads in long-established markets, primarily in Western Europe, where Philips

generated roughly 64 percent of its 36.5-billion-guilder (\$15.1-billion) sales last year.

In consumer electronics, for example, Japanese companies with far lower wage costs already supply roughly three-quarters of Europe's video cassette recorders and hi-fi equipment, and a third of its television picture tubes.

Also, fierce price competition

from U.S. electronics companies have hit Philips and its European competitors virtually everywhere, and particularly in computers and semiconductors.

For these and other reasons, despite a modest sales rise of 7 percent last year, net profit fell sharply to \$28 million guilder from \$64 million guilder the year before.

Earlier this month, company

officials told shareholders to expect no more than a repeat sales performance during 1981 and no significant rise in profit.

Philips stock is down roughly 50 percent from its 1976 level of 36 guilders. Most investment analysts suggest looking at the stock favorably, as Algemene Nederland advised recently, only "beyond the short term."

In interviews last week, Philips executives grumbled about obstructive or indifferent attitudes toward company strategy that they say prevail among European Economic Community planners in Brussels and among government officials throughout Western Europe.

"Even today, we are not getting much help from Brussels," said a Philips board member.

"The EEC has done so very little for industry and so much for agriculture, while governments, more often than not, follow their national interests."

Echoing a view widely held among European business leaders, he added, "It is disappointing to say so, but we do not see much hope for change."

The strategy for Philips is what Nico Rodenburg, president, described as "rearming through rationalization."

This involves spending heavily on research and developing a wide range of products, from electric shavers to highly sophisticated data communications systems.

**R&D Spending**

Despite its difficulties, Philips last year boosted its research and development spending slightly to 7.5 percent of sales — a level considered highly respectable by most industry analysts — and Philips does not intend to cut back, executives said.

The centerpiece of the modernization program launched last year is a 600-million-guilder plan to close or merge roughly

(Continued on Page 2, Col. 6)

## Reagan Tells Congress He's Fit but Economy Isn't, Bids for Support

By Steven R. Weisman

New York Times Service

WASHINGTON — President Reagan, declaring that he has recovered but that the economy has not, has appealed to Congress to approve his package of spending cuts and tax reductions as "the only answer we have left" to inflation and unemployment.

In a dramatic appearance Tuesday night before a joint session of the House and Senate, his first formal public appearance since the attempt on his life one month ago, Mr. Reagan was greeted by two thunderous standing ovations before he could even begin his speech.

The president spoke vigorously, but with a trace of hoarseness, giving

measures, supported by Republicans and conservative Democrats, would "achieve all the essential aims" of his original proposal, but he heaped criticism on the other, which is being advanced by the House Budget Committee and its chairman, Rep. James R. Jones, an Oklahoma Democrat.

"It may appear that we have two alternatives," Mr. Reagan said. "In reality, however, there are no more

(Continued on Page 2, Col. 5)

## Reagan Exploits '2d Honeymoon'

By Hedrick Smith

New York Times Service

WASHINGTON — With a flair for the dramatic moment, President Reagan sought to provide irresistible momentum for his budget package by capitalizing on what his lieutenants regard as a rare "second honeymoon" with the American public after the attempt on his life a month ago.

Even before Mr. Reagan made his appearance Tuesday night in the crowded Capitol chamber and uttered his emotional thanks to the nation for its outpouring of sympathy, the prospects were reckoned good for the Reagan-backed bipartisan budget bill to pass the Democratic-controlled House. That most crucial test will come in the next several days.

Looking fit and ruddy, walking easily and grinning broadly, the

## NEWS ANALYSIS

president turned the standing ovations that greeted his heroism and quick recovery into repeated applause and cheers for his thumping political refrain: "Our government is too big and it spends too much," and later for his urgent rejection of the Democratic approach: "Isn't it time that we tried something new?"

Initially, White House strategists had thought of having Mr. Reagan merely give a radio address to the nation as Congress took up the economic measures. But if the assassination attempt had seemed to rob the Reagan program of its momentum four weeks ago by forcing the president offstage, the warmth of the public response to his handling of the shooting convinced the White House that it had a rare political moment to exploit.

Quickly, Mr. Reagan's inner circle shifted to having him make a direct and forceful appeal to Congress before a national television audience, calculating that his personal appearance would help hold Republicans in line and swing a few pivotal Democratic votes.

Indeed, the reappearance of the nation's wounded leader produced warm waves of applause and four standing ovations. As Rep. Robert H. Michel of Illinois, the House Republican leader, suggested, it was "the kind of reception that makes a few of the wavers feel, 'Gosh, how can I buck that?'"

"Normally, you have the idea that a new president has an open

(Continued on Page 2, Col. 4)

## Weinberger Asserts Japan Should Raise Arms Budget

By Robert C. Toth

Los Angeles Times Service

SAN FRANCISCO — Defense Secretary Caspar W. Weinberger, outlining the Reagan administration's East Asian policy for the first time, called on Japan to recognize an obligation to spend more money on its military establishment.

In a speech on Tuesday, Mr. Weinberger repeatedly cited the nuclear and conventional military protection that the United States provides to Japan, including the safeguarding of the Gulf region, from which Japan gets virtually all its oil.

"As in every true partnership, along with the benefits to be derived from the association, both partners incur obligations," Mr. Weinberger said in an address to the Commonwealth Club and the World Affairs Council.

The United States hopes that Japan "can provide much more" money for its own military needs, he said, adding that Japan's self-defense capability "remains clearly short of what is required."

Later, speaking to reporters, he denied he had made "harsh demands" on Japan.

### Comparison of Spending

U.S. officials have said that Washington wants Japan, which now spends 0.9 percent of its gross national product on its military establishment, to triple.

Premier Zenko Suzuki came to office last year pledging to make no radical change in Japan's military policy.

Mr. Weinberger, who is host to a two-day security meeting in Washington this week with South Korea's Defense Minister Choo Young Bock, said the "sense of urgency" about East Asian military policy arises from the growth of Soviet capabilities in that region.

Moscow's Pacific Fleet contains one-third of all the Soviet Union's submarines, one-fourth of its principal surface warships and one-third of its naval air power, Mr. Weinberger said. And, he declared, Soviet ground forces have been significantly strengthened in the four northern Japanese islands that the Russians seized after World War II.

This buildup, he asserted, fits "one hypothesis" — that the Soviets are prepared for aggressive action. It is "not consistent with only defense of the Soviet Union."

Jackie Sals

## Congressmen Complain to Haig On Embargo, Saudi Arms Moves

By Bernard Gwertzman  
*New York Times Service*

WASHINGTON — Secretary of State Alexander M. Haig Jr. was sharply criticized by members of a House subcommittee for the Reagan administration's decisions to end the grain embargo against the Soviet Union and to sell electronic surveillance planes to Saudi Arabia.

Testifying before the House Appropriations Subcommittee on Foreign Operations on Tuesday,

**Aid Opposed**

Rep. Long, who has also opposed American military aid to the government in El Salvador, said it was inconsistent for the administration to risk the lives of American military advisers there to help train the government to fight Communist-backed insurgents and, at the same time, to supply food to the Russians that allows them to divert resources to their military sector.

On the AWACS sale, several members of the committee were sharply critical of the administration for threatening Israel's security.

Rep. Kemp said that just as the administration was demanding "reciprocity" from the Russians for future negotiations, the administration should insist on something in return from the Saudis for the advanced military equipment.

The tone of the questioning indicated that the administration has a

difficult time ahead in persuading Congress to go along with the AWACS sale and to support its overall handling of foreign policy.

**Trying Session**

For Mr. Haig, the session was a trying one, because he personally favored proposed lifting the curbs on grain sales at this time. But he told the committee that President Reagan made the decision because he had made a commitment during the campaign to do so and because the limitations had been more harmful to American farmers than to the Soviet Union. He said he "fully supported" Mr. Reagan's move.

Mr. Haig seemed annoyed by suggestions that the lifting of the grain ceiling demonstrated a lack of firmness toward the Soviet Union. He said that it would be wrong to judge the administration by such a test.

On the AWACS sale, which Congress will not be asked to vote on for several months, Mr. Haig rejected the view propounded by Rep. Long that it was a major threat to Israel.

"I think it would be prudent for all to wait until they see the precise character, nature and modality of this proposed sale before they describe it as the most dangerous threat facing the state of Israel," Mr. Haig said.

He said that Mr. Reagan would keep his commitment to maintain Israel's qualitative advantage over Arab military forces.

### Yorkshire Man Enters Pleas in Slayings of 13

*The Associated Press*

LONDON — Peter Sutcliffe admitted Wednesday that he killed 13 women in the north of England between 1975 and 1980, but he pleaded not guilty to charges of murder.

Instead, the 34-year-old Yorkshire truck driver pleaded guilty to manslaughter on grounds of "diminished responsibility," or lack of full mental competence, at the opening of his trial in London's Old Bailey Criminal Court.

Mr. Sutcliffe also pleaded guilty to the attempted murder of seven other women. The slain women ranged in age from 16 to 47, and nine were prostitutes.

The prosecution requested that the guilty plea be accepted. But the judge, Sir Leslie Boreham, ruled that a jury must consider all three charges, including murder, against Mr. Sutcliffe. He ordered attorneys to proceed with the trial, starting Tuesday.

The maximum penalty for each of the three charges is life imprisonment, the death penalty having been abolished in 1965.

### Launching of Ariane Is Scheduled June 19

*Reuters*

PARIS — Europe's Ariane space rocket will shortly begin tests at the Kourou space center in French Guiana for launching June 19, the European Space Agency said.

Ariane is scheduled to put into orbit two satellites, a European weather satellite known as Meteosat and an Indian telecommunications satellite called Apple. The first Ariane flight in 1979 was a success, but the second last year failed when the rocket crashed into the Atlantic just after blastoff.

### U.S. Expresses Concern To Israel Over Lebanon

(Continued from Page 1)

flames inside Israeli territory, but Israel said all its planes returned safely from the mission. Israel also said rockets fired from southern Lebanon struck northern Israel but caused no casualties.

The governor's office in the port of Sidon, a provincial capital in southern Lebanon, said Beaufort Castle, Jarmuk Mountain and the town of Aishkar were the main targets.

**Doctors Strike in Brazil**

*Reuters*

RIO DE JANEIRO — State doctors went on strike throughout Brazil on Wednesday, seeking a minimum salary of \$700 a month. A union spokesman said more than two-thirds of the national health service's 70,000 doctors stopped all but emergency duty.

**Report Accuses Iraqi Police of Using Torture**

*The Associated Press*

COPENHAGEN — Iraqi police and security forces routinely torture political prisoners, and the government of President Saddam Hussein has done nothing to stop them, Amnesty International said Wednesday.

The London-based human rights organization appealed to Mr. Hussein to implement anti-torture guarantees in Iraq's constitution and under international law. It said the Iraqi government had either refused to reply to previous Amnesty International complaints or denied the use of torture by its agents.

A report by a group of Danish doctors for Amnesty International said medical tests on 15 Iraqi exiles confirmed their stories that they were tortured for periods of up to 50 days in 1976-79. Subsequent allegations "suggest strongly that torture may be continuing and widespread in Iraq," the report said.

It said 14 of the victims would not allow their names to be published because they feared reprisals, but pictures and background information were supplied by Burhan al-Shawi, 24, a journalist who said he was burned with hot metal, beaten and sexually assaulted.

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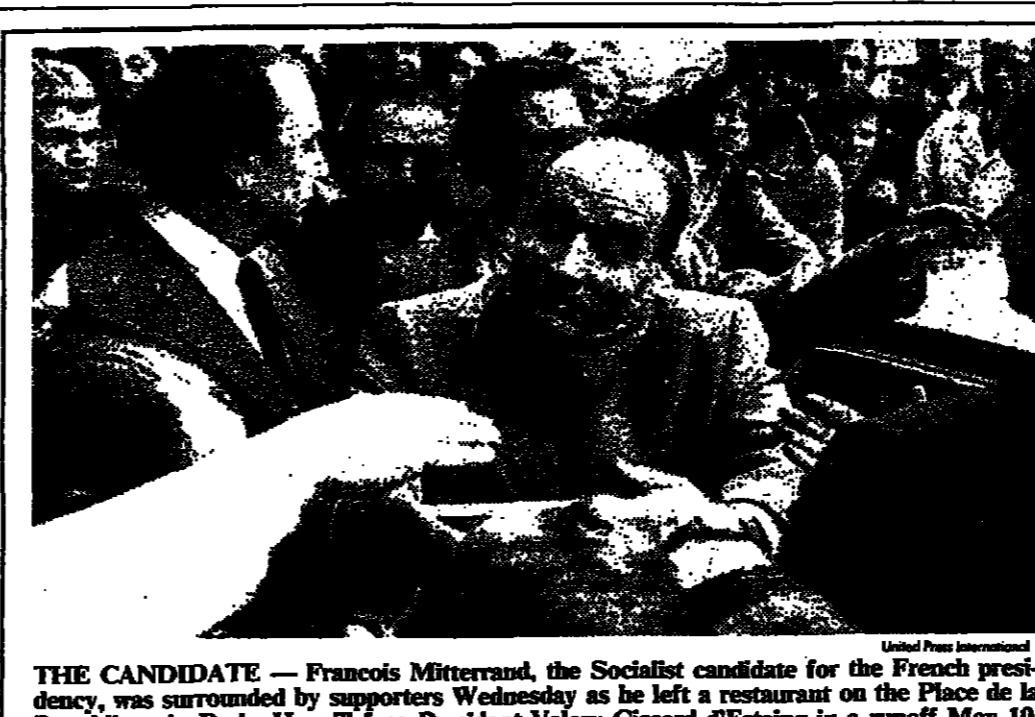
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THE CANDIDATE — François Mitterrand, the Socialist candidate for the French presidency, was surrounded by supporters Wednesday as he left a restaurant on the Place de la République in Paris. He will face President Valery Giscard d'Estaing in a runoff May 10.

## WORLD NEWS BRIEFS

### Embargo Against Pretoria Proposed at UN

*Reuters*

UNITED NATIONS, N.Y. — African states submitted five resolutions to the UN Security Council on Wednesday calling for mandatory economic and political sanctions against South Africa for failing to grant independence to South-West Africa (Namibia).

The council, which has been debating the Namibia impasse for more than a week, scheduled another meeting for later Wednesday. It was not known when the sponsors of the resolutions — Niger, Tunisia and Uganda — would press for a vote on their proposals, expected to be vetoed by the United States, Britain and probably France.

These three, Canada and West Germany are the authors of an independence plan for Namibia that was endorsed by the Security Council in 1978. South Africa has so far balked at implementing the plan.

### Qaddafi-Kremlin Split Seen on Afghanistan

*Reuters*

MOSCOW — Differences between the Soviet Union and Libya over Afghanistan have surfaced during a visit to Moscow by Col. Moammar Qaddafi, the Libyan leader. Arab diplomatic sources said Wednesday. They said Col. Qaddafi, who left Wednesday for Belgrade, appeared to have been upset by the way the Soviet press edited a reference to Afghanistan in a speech he made Monday at a Kremlin banquet. The Soviet presentation of the colonel's remarks appeared to be aimed at avoiding any suggestion that he favored Soviet withdrawal from Afghanistan.

According to an official Libyan text of his speech, Col. Qaddafi said he wanted to discuss Afghanistan and "the need to ensure its independence and neutrality and to end all kinds of interference in its affairs from outside." But in the version that appeared in the Soviet press, he was reported as referring only to the need to discuss problems "including the independence and sovereignty of Afghanistan, without interference in its internal affairs."

### EEC Ends Partial Embargo on Sales to Russia

*The Associated Press*

BRUSSELS — The European Economic Community ended its partial embargo Wednesday on the sale of farm products to the Soviet Union.

An EEC spokesman said the embargo "had no purpose" since the Reagan administration decided last week to lift its embargo on grain sales to the Soviet Union. The sanctions were ordered after the Soviet intervention in Afghanistan.

The government of New Zealand also announced an end to its embargo of farm sales to the Soviet Union.

### Boston Routes Blocked in Protest at Cutbacks

*United Press International*

BOSTON — Hundreds of demonstrators marched onto major highways Wednesday and blocked tunnels leading into the city in angry protests over Boston's drastic police and fire-fighting cutbacks prompted by the state's tax-cutting referendum.

A handful of police, their cars stalled in traffic, attempted to control the demonstrators. The disruption plans, which were known by Boston and state police departments, were intended to build support from the suburbs for efforts to restore the police and fire funds.

The cutbacks took place April 10. Mayor Kevin H. White said the layoffs, the closing of stations and the deactivation of fire engines were necessary to save money in the face of a state ballot measure that limited property taxes to 2½ percent.

### India Says U.S. Is Halting Nuclear Fuel Supply

*Reuters*

NEW DELHI — The United States has told India that it can no longer supply nuclear fuel for the Tarapur atomic plant near Bombay, External Affairs Minister P.V. Narasimha Rao said Wednesday.

He told Parliament the two countries were trying to determine how to end the 30-year nuclear cooperation agreement under which the United States was under contract to supply uranium for the American-built plant.

The U.S. Nuclear Nonproliferation Act prohibits the United States from supplying nuclear fuel or equipment to countries, such as India, that are not parties to the nonproliferation treaty or do not accept international safeguards on all nuclear installations. Mr. Rao said India's policy "is that we shall not be party to the

### Diplomat Reports Chaos in Afghan Province

*United Press International*

NEW DELHI — Soviet and Afghan reinforcements have been rushed to eastern Afghanistan in an attempt to end chaos caused by Moslem rebels and Afghan Army defectors, a Western diplomat said Wednesday.

The rebels, apparently operating in small, unrelated bands, have killed dozens of Soviet and Afghan Army officers and destroyed more than 100 vehicles in attacks on military convoys in Logar province over the last two weeks, the diplomat said.

Three units of Afghan regulars defected to anti-Soviet rebels with their weapons last Saturday in the province near the Pakistani border, the diplomat said. The number of men in the units was not known.

### Death Penalty Sought for Turkish Politician

*United Press International*

ANKARA — A military prosecutor demanded the death sentence Wednesday for Alpaslan Turkes, leader of the extreme-right Nationalist Movement Party, on charges of fomenting revolution in Turkey.

In a 945-page indictment, the prosecutor demanded that 220 members of the outlawed movement and 15 of its executive committee members also be put to death. The indictment charged that Mr. Turkes and his colleagues incited class warfare and formed guerrilla units to overthrow the Turkish government.

Mr. Turkes is the first political party leader for whom the death sentence has been asked since the military overthrew the civilian government of Premier Suleyman Demirel last September.

### Paris Account Frozen in Iran Swindle Probe

*Associated Press*

PARIS — A French court Wednesday froze the Paris bank account of a black-market arms dealer accused of bilking the Iranian government of about \$26 million, possibly by accepting payment for a pledge involving nonexistent arms.

François Cheron, one of the French lawyers representing Iran, said that the next step was to return to court next week to seek permission to examine the account and trace the money. The court blocked the account for three months.

## House Democrats Consider Plan for Balancing Budget

By Helen Dewar  
Washington Post Service

**WASHINGTON** House Democrats dangled the bait of a balanced 1982 budget before Congress on Tuesday in a desperate effort to outbid President Reagan for the support of conservatives in next week's House vote on the budget.

The plan, reported to be under "serious consideration" by some party leaders as a way to blunt Mr. Reagan's economic offensive in Congress, would defer any tax cut for individuals until 1983 and use the resulting revenues to erase most or all of the \$25.6-billion deficit anticipated by the Democrats' budget alternative.

The plan is based on an assumption that people want a balanced budget more than they want an across-the-board tax cut, an assumption that used to be Republican orthodoxy.

According to the deputy Democratic whip, Bill Alexander of Arkansas, people are looking now for "the kind of policy that will restore people's faith and confidence in Democratic wisdom and leadership."

### Speaker Cool to Initiative

The House speaker, Thomas P. O'Neill Jr. of Massachusetts, insisting that he did not mean to abandon hope for the Democrats' budget alternative in comments to reporters Monday, appeared cool to the balanced-budget initiative. But Rep. Alexander asked the Rules Committee to permit a vote on the proposal, and the Democratic chairman of the Budget Committee, James R. Jones of Oklahoma, said that he was seriously considering including it in an omnibus amendment that he will propose on the House floor.

The House Democrats' attempt to capitalize on strong congressional yearnings for an end to budget deficits emerged as Senate Republicans finally closed ranks behind a budget resolution that itself was modified under pressure from Republican conservatives to increase chances of a balanced budget by 1984.

With the Republican revolt quelled, the Senate Budget Committee voted 15-6 to approve a \$699.1-billion spending blueprint for fiscal 1982, including a \$48.8-billion deficit, that was drafted to accommodate Mr. Reagan's overall economic program.

### Revised Reagan Plan

It is basically the same package that was rejected by the committee earlier this month, except for theoretical economies that have the effect of reducing projected spending levels and deficits by \$5.1 billion in 1982, \$31.5 billion in 1983, and \$44.7 billion in 1984.

In the House, the Democrats gave themselves one more day to try to come up with sweeteners for their budget alternative, which will probably include some increase in defense spending over what was recommended by the House Budget Committee. They also postponed House action on the budget until next week.

As it stands, the Democrats' \$714.5-billion budget proposal shifts some money from defense to social programs and anticipates less of a tax cut than Mr. Reagan recommended, resulting in a lower deficit. But the Republicans, joined by some conservative Democrats, have countered with a revised \$689-billion budget of their own, including a deficit lower than Mr. Reagan's.

Mr. Reagan has projected a \$45-billion deficit, and his House supporters would trim it back to \$38.9 billion. The Democratic alternative anticipates a deficit of \$25.6 billion.

The issue is expected to be decided by conservative Democrats. The minority leader, Robert H. Michel, an Illinois Republican, predicted Tuesday that 26 of the 44 members of the Democrats' conservative caucus would vote for the revised Reagan budget, with 13 more "waving." If there are no Republican defections, 27 Democratic switches could carry the day for Mr. Reagan. Rep. Michel said he would be surprised if there were more than three Republican defections.

The tribunal recommended Tuesday that Lt. Col. Alejandro Molinero Camara serve only one year as the weapons "bordered on the inefficient." He was also sentenced to six months in prison for defrauding the state. It was not clear whether the terms were to be served consecutively.

### Spanish Officer Gets Jail on Arms Charge

Reuters

**MADRID** — A Spanish military court has sentenced an army officer to six years in prison for unauthorized possession of arms after he was found guilty of making 94 pen pistols in his regimental workshop. His lawyers said he would appeal.

The tribunal recommended Tuesday that Lt. Col. Alejandro Molinero Camara serve only one year as the weapons "bordered on the inefficient." He was also sentenced to six months in prison for defrauding the state. It was not clear whether the terms were to be served consecutively.

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FREE RIDE — The space shuttle Columbia is returned to the Kennedy Space Center attached to a NASA 747 jumbo jet after a trip from its landing field in California. The reusable rocket plane will be prepared for a four-day mission in September or October.

Mr. Reagan had requested for ships, tanks, planes and other weaponry. But it redistributed millions among the Pentagon's various accounts.

Losing out in the shuffle were the Army's anti-aircraft Patriot missile, which has run into technical problems; the Navy's 10th Trident missile submarine, because of construction problems at the Electric Boat shipyard; and the Air Force's CX cargo plane.

Funds for other items, such as paying military personnel and building airfields, will be handled in separate legislation, pushing the total for the military near the \$22 billion requested for the fiscal year 1982.

The committee chairman, Sen. John G. Tower, acknowledged that he had rushed the bill through. He said he did so in hopes of staving off cuts that he believed senators would try to make later in the year.

As for future manning problems, such as finding enough skilled sailors to run all the new ships being ordered, Sen. Tower, a Texas Republican, said he thought that "ultimately we're going to have to go back to Selective Service" — meaning the draft.

All told, the committee cut only \$11.1 million from the total that

Mr. Reagan had requested for ships, tanks, planes and other weaponry. But it redistributed millions among the Pentagon's various accounts.

The committee approved most of the major requests in the Reagan military budget, including \$2.4 billion for the sharply disputed MX land missile, with the proviso that the money not be spent until the administration tells Congress how the weapon would be deployed.

Two Republican senators, Jake Garn of Utah and Paul Laxalt of Nevada, said again on Tuesday that they opposed the Air Force plan to deploy the MX in their states. A better idea, they maintained, would be to put the MX missiles in existing Minuteman silos in the Northwest and protect them with a new anti-ballistic missile system.

The chief beneficiaries as the committee redistributed money among the Pentagon's accounts were the Army National Guard and the Navy Reserve.

The guard was authorized to buy 12 A-7K fighter-bombers and 12 C-130H transport planes that the administration did not request.

The committee also approved \$2.2 billion to build a new bomber, probably an updated version of the B-1 that President Jimmy Carter canceled in 1977; \$2 billion for 120 Air Force F-16 fighter-bombers; \$1.98 billion for 58 Navy F-18 fighters; and \$1 billion for 720 Army XM-1 tanks.

But according to the official Index of Geographic Locations of El Salvador, which lists not only the smallest hamlets but also prominent geographic features such as caves and rivers, there is no record of a Cueva Pintada, which, to accommodate 1,500 persons, would have to be a major, and thus known, cavern.

The index also shows no Yarula. It does list 27 villages called Santa Helena, though 23 are far from any borders. Four are in Santa Ana province — on the Guatemalan, not Honduran, frontier.

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Mr. Casey said Americans working abroad were the primary targets of international terrorists.

Two out of every five incidents involved U.S. citizens or property.

The targets, he said, were usually businessmen or diplomats.

Latin America and the Middle East were the main trouble spots, Mr. Casey said, with Western Europe not far behind.

The vagueness of the reports has defied investigations that might establish whether there is any truth in the claims, which El Salvador's government has denounced as "lies orchestrated by the international propaganda machine" of the leftist rebels it is combatting in the countryside.

His denials, and allegations that the charges are part of an international propaganda campaign, tend

Honduras, Yarula is not near the border and is in an area not noted for caves.

Continued reports of the alleged massacre, now broadcast by Havana radio and taken up by human rights groups, repeated that the incident occurred in Morazan, prompting U.S. officials in El Salvador to try to check it.

"A Fallacy"

The Salvadorean armed forces provided facilities and security for a U.S. Embassy official to go to northern Morazan, where the cave is still thought to be.

The vice consul, who visited the area two weeks ago, reported that his talks with people in several towns in the area — but not in Yarula — turned up no evidence to corroborate the massacre reports.

He said he could not pinpoint the exact area where the incident was supposed to have occurred.

Defense Minister Jose Guillermo Garcia, who has been accused by many of either ordering or tolerating brutal excesses by his troops in the countryside, denounced the allegations as "a fallacy, a lie of the orchestrated propaganda machine of the subversives to distort international opinion."

His denials, and allegations that the charges are part of an international propaganda campaign, tend

to echo the Reagan administration's belief that world Communism is conspiring to give the Salvadorean government and its U.S. backers a bad name. But past reports of massacres, similarly denied by the government, have proved to have had at least a grain of truth.

Although Col. Garcia heatedly denied international human rights reports last spring that as many as 600 Salvadorean fleeing over the Sumpul River into Honduras had been shot by government troops, he later acknowledged that some people had been killed, but not in such "industrial quantities."

Last month, a Salvadorean Cabinet minister visiting Washington told reporters that 135 Salvadoreans had been killed.

Meanwhile, the National Catholic News Service issued a release last week confirming the massacre of displaced persons on April 4-5 at Cueva Sentada. The release, which said its information had come from a priest in the region, stated that "a large number" of Salvadoreans trying to flee into Honduras died when strafing Salvadorean government aircraft forced them to seek cover inside a cave and surrounding underbrush.

Soldiers sealed off the cave entrance, the release said, and threw tear gas bombs inside. "In two days," it said, "many of the refugees were dead from asphyxiation. Those who tried to escape were killed by gunfire." The release quoted another source as saying that 150 persons died.

The first account apparently came from Honduran church and human rights groups. It claimed that in late March, Salvadorean troops had either bombed or dynamited shut the entrance to a cave where 1,500 refugees had sought shelter. The initial report from Honduras identified the cave as Cueva Pintada (Painted Cave) and said it lay between the towns of Yarula and Santa Helena.

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## Heavy Rebel Pressure on Obote Expected When Tanzanian Soldiers Leave Uganda

By Charles T. Powers  
*Los Angeles Times Service*

NAIROBI — Intense pressure from armed opposition groups on the shaky government of Ugandan President Milton Obote is expected after the scheduled withdrawal of Tanzania's force of 10,000 soldiers.

The first of the Tanzanians will leave Uganda in small detachments beginning Friday, according to Lt. Gen. Abdallah Twalipio, the Tanzanian defense minister, who announced the withdrawal Tuesday in a speech in the western Tan-

zanian border town of Mwanza. Residents were urged to turn out to welcome the returning soldiers.

All of the Tanzanian troops, he said, would be out of Uganda by the end of June.

The Tanzanian forces have been in Uganda since April, 1979, when a force of 20,000 Tanzanians and allied Ugandans drove Idi Amin from power.

Tanzanian President Julius Nyerere ordered about half his troops home in the following months, but at the urging of successive Ugandan governments — there have

been four since the Amin regime fell — Mr. Nyerere left a large force in Uganda to maintain order and to help check the excesses of Uganda's poorly disciplined, 6,000-man army.

But the cost of keeping the Tanzanians in Uganda has been \$4 million to \$5 million a month, and the Ugandan government has not made good on promises to pay the expenses.

The withdrawal could hardly come at a worse time for the Obote government.

Installed after a disputed election last December, it has been the target of continuing violence and sabotage from two well-armed opposition groups, both of them bent on driving Mr. Obote from power.

### Raids, Ambushes

One, the People's Revolutionary Army, led by Yoweri Museveni, a former defense minister, has raided police stations and military installations. At least three times it has ambushed truckloads of Tanzanian soldiers on the roads outside Kampala, the capital. More than 100 Tanzanians have been killed.

Another group, the Uganda Freedom Movement, has bombed power stations, knocked out the national radio transmitter and sprayed machine-guns fire into the headquarters of Mr. Obote's party, the Uganda People's Congress, killing three persons and wounding several others.

The attacks are continuing. In the last two weeks, assassins killed a member of Parliament who had been picked by Mr. Obote to head his political party. More than 200 Ugandan soldiers have died in attacks believed to have been led by Mr. Museveni. On Monday, the minister for animal resources, John J. Otim, was wounded in an assassination attempt.

Although current law, dating from 1911, prohibits abortion except when the life of the mother is in danger, it has been virtually ignored for a decade. Abortion clinics sprang up in the early 1970s offering abortion on demand, and attempts to close the clinics met with fierce opposition within the government.

Under the compromise bill, abortion outside the guidelines remains a criminal offense without certification by the doctor and the woman that the abortion is necessary for psychological or physical reasons. The governing coalition of Christian Democrats and Liberals who drafted the compromise, however, left the definitions of the criteria vague and the new law is not expected to bring a significant change in the current practice.

In 1979, 41,500 women came to the Netherlands from neighboring countries to take advantage of liberal abortion practices and the highly regarded clinics run by private, nonprofit organizations. In the same year 16,500 Dutch women had abortions.

Agreement to reopen talks on the future of the plant was reached early Wednesday, and a final decision is expected June 30. The management announced last week its decision to close the assembly line, with a loss of 1,325 jobs. It said the plant was operating at a deficit.

Twenty sticks of dynamite were

seized during the arrests, along with blasting caps, plastic explosives and fuses, automatic weapons and two vehicles. The suspects in the case were arraigned Tuesday.

U.S. Attorney John Volz said information indicated the coup attempt was serious.

"As these things go, perhaps the quantity is not great, but the size of the country is not large," Mr. Volz said. "It was possible that they could succeed in some ways."

Dominica, 29 miles (46 kilometers) long and 16 miles wide, is one of several small islands of the Windward group of the Lesser Antilles, separating the Atlantic from the Caribbean Sea. Most of its 70,000 people cultivate tropical and citrus crops.

The government, which gained independence from Britain in 1978, is headed by Prime Minister Mary Eugenia Charles, who was informed by the U.S. State Department of the threat to her government, Mr. Volz said.

Mr. Volz's ring career lasted from 1919 through 1935. Called

"The Toy Bulldog" because of his aggressive style, he weighed between 147 and 170 pounds for his 160 professional bouts and made credible showings in several heavyweight matches. He was elected to the Boxing Hall of Fame in 1955.

Mr. Walker won the world welterweight title from Jack Britton in 1922, then lost it to Pete Lazio in 1926. Later that year Mr. Walker won the middleweight title from Tiger Flowers. Moving up to light heavyweight, he lost to Tommy Loughran and Maxie Rosenbloom title fights. Mr. Walker fought Jack Sharkey, a heavyweight, to a 15-round draw in 1931, and was knocked out in eight rounds by Max Schmeling, the German heavyweight, in 1932.

A Klan spokesman said another of the arrested men, Michael Stanley Norris, 21, of Tuscaloosa, Ala., was a former member of the group.

The suspects were charged under federal neutrality statutes with conspiracy to injure the property of a foreign government and expedition against a friendly nation.

The maximum penalty is 12 years in prison and \$12,000 in fines.

They also were charged with various federal firearms violations,

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# INTERNATIONAL Herald Tribune

Published with The New York Times and The Washington Post

Page 6 Thursday, April 30, 1981

## Bonn Says 'No' to the Saudis

West German Chancellor Helmut Schmidt's decision not to sell tanks, armored vehicles and self-propelled guns to Saudi Arabia sets him apart from the leaders of the West's other major arms exporters. Judging by the recent performances of Jimmy Carter and President Reagan, and the discreet eagerness of France's President Valery Giscard d'E斯塔ing, one could easily have jumped to the conclusion that a Saudi Arabian request for sophisticated weaponry was irresistible. But Mr. Schmidt's decision not to sell to the Saudis, although it seems to reflect domestic politics more than morality or alliance interests, proves that resistance is possible.

It is not easy, though. The Saudis pump more than a third of OPEC's oil, and OPEC supplies the EEC with more than 85 percent of its crude imports. As a result of their fabulous oil wealth, the Saudis can pay for their weapons in cash or even more valuable kind. And the Saudis are staunch anti-Communists, so supplying them with arms can be rationalized as a contribution to defending Western interests in the Gulf.

But Chancellor Schmidt has a special problem. There is no guarantee that arms sold to Saudi Arabia won't be used to kill Jews. No one should need reminding about the moral implications of that. On the other hand, West Germany gets 27 percent of its imported oil from Saudi Arabia, it has \$6.3 billion in loans outstanding from the kingdom, and its businessmen are panting for a share of the \$23 billion in industrial development projected by the Saudis over the next

five years. Small wonder, then, that a West German oil executive would say, as reported by New York Times correspondent John Vinocur, that "We can't stick our head in the sand if a country like Saudi Arabia asks us to contribute to its security. Or similarly, that Hans-Jürgen Wischnewski, deputy chairman of Mr. Schmidt's Social Democratic Party would say, "You just can't give an ice-cold no to the Saudis' wishes."

An ice-cold no? Mr. Schmidt painstakingly avoided that. But he was able to deliver, at least, a nuanced no. The world is complex and interdependent, but that does not mean that West Germany — or France, or the United States — can never say no to the Saudis. Interdependent is a key word. Saudi Arabia is also dependent on West Germany and its allies as major customers for its oil, as the source of technology for its development and as its ultimate line of defense against the Soviet Union. If the NATO allies and Japan permit themselves to be played off against one another by the Saudis and other producers, they certainly can be manipulated. But when something as important to the alliance as the Gulf's oil is concerned, a cohesive joint policy is required.

Additional advanced weapons should be introduced by Western countries into the Middle East, which is already a cockpit of violence, only if it is in the alliance's clear interest. And the alliance does have the clout to say no, as long as its individual members have the will. West Germany has shown, for the moment, that it does.

INTERNATIONAL HERALD TRIBUNE

## Salvadoran Peace Talks

Hans-Jürgen Wischnewski, the West German figure who follows these things, has been trying to build a negotiation in El Salvador, and again Mexico and Venezuela are seeking to launch a peace initiative. Dr. Wischnewski, whose party, the Social Democrats, is much enamored of the El Salvadoran left, sees a long shot. Mexico and Venezuela, especially when taken together, have impressive credentials. They have access — Mexico leans to the opposition and Venezuela to the junta — and a direct interest in a peaceful outcome. They evidently agree on the Zimbabwe precedent of external mediation followed by elections.

Concerned outsiders would be doing less than their duty if they did not try to open up a negotiating path. It does not seem far-fetched, moreover, that the civilian leaders of the parties, Napoleon Duarte for the junta and Guillermo Ungo of the opposition, might make up: They ran on the same ticket in 1972 and served in the government together as recently as 1979. The relevant question is perhaps whether either of them could carry their respective military partners. An answer requires more probing.

There is a tougher question for the United States: Why not support negotiations? The administration suggests that the call for negotiations is a tactic designed to embarrass the junta, whose civilian members at least

THE WASHINGTON POST

## A Gift to Bobby Sands

On the question of principle, Britain's Prime Minister Thatcher is right in refusing to yield political status to Bobby Sands, the Irish Republican Army hunger striker. But this dying young man has made it appear that her stubbornness, rather than his own, is the source of a fearful conflict already ravaging Northern Ireland. For that, Mrs. Thatcher is partly to blame. By appearing unfeeling and unresponsive, she and her government are providing Bobby Sands with a deathbed gift — the crown of martyrdom.

It is the dream of a unified Ireland, partitioned by Britain in 1921 to preserve Protestant rule, that nourishes the Irish Republican Army, giving recruits like Bobby Sands the will to die.

He was sentenced to 14 years in the Maze prison near Belfast for a firearms offense; other IRA guerrillas have maimed and killed, soiling their cause by repugnant means. To declare that these crimes are somehow lessened because the aim was political would demean justice and open the way to still more violence. No such status has been accorded IRA prisoners in the Irish Republic, and the IRA demand finds no support from Amnesty International or the European Commission on Human Rights.

But there are other areas where the British could honorably yield. On the petty question

THE NEW YORK TIMES

## International Opinion

### Pretoria: Sweden's Anathema

If a Swedish member of parliament takes a trip to Vietnam, Cuba or Cambodia he need not expect a storm of disgust on his return to Stockholm, however dubious the reputation and conduct of those states might be. South Africa, where five such Swedish representatives have just been, is apparently another

### In the International Edition Seventy-Five Years Ago

April 30, 1931

TOPEKA, Kan. — On the eve of the Republican state convention, Mrs. W.E. Stanley, wife of a former governor, states that Gov. E. Hoch tried to kiss her while she was making an official report to him in the executive office as a member of the state Board of Charities. The story has created a sensation, and may prevent Mr. Hoch's renomination. Mr. Hoch, ever since his election, has been a conspicuous figure in American politics, acquiring a national prominence as a reformer. As governor of Kansas, he has made many bitter enemies. He is noted for his frank

PARIS — Branding the French theater as "absolutely dead," George Bernard Shaw unburdened himself here last night of his disgust with French art in general, which he declared to be "pretty hopeless." But he avowed his fondness for Paris, despite its artistic shortcomings. "The Pitoëffs," he added, "who are doing my 'The Apple Cart,' have no conception of what the play is about. Mlle. Falconetti, who did a motion picture version of 'St. Joan,' showed in every facial movement that some director somewhere was telling her what to do." Of Gustav Mahler, however:



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## Baby Food: A Poisoned Debate

By Iain Guest

GENEVA — Mother's milk has been the subject of plenty of good-humored jibes. Barring a last-minute hitch, it is now about to get enshrined in a trail-blazing international code at the annual assembly of the World Health Organization (WHO) which begins here next week.

The code has been drafted by WHO over the last year, with strong encouragement from Unicef, the UN Children's Fund. It solidly endorses the medical value of breast feeding, and bans direct advertising of breast milk substitutes.

After a vitriolic press debate, several well-publicized libel cases, and a boycott of Nestle products in the United States, this is probably the single most emotive issue before any UN specialized agency. But behind the polemics, the last year's exhaustive discussions have clearly established the following:

- As many as 15 million infants die each year in developing countries, slipping quietly away on mud floors under the combined weight of malnutrition, and common disease like measles and whooping cough.
- Whichever way one looks at it, the statistic shames us all in a world which can achieve marvels like the space shuttle.
- Medical opinion is agreed that breast milk contains hitherto unsuspected properties of immunization against disease, even common diarrhea.

- It is now established that the unrestrained promotion of baby foods in developing countries has not only discouraged breast-feeding, but has actually increased the health risk when sold to illiterate mothers who cannot read instructions, and in areas where it is mixed with impure water.
- At the same time, baby foods when properly used have an important role to play where mothers are physically unable to breast-feed or need to complement breast milk, and when working mothers do not have the time to breast-feed.

### Not Surprising

It is hardly surprising that in attempting to reconcile these four principles, the WHO code has ended up by pleasing neither the baby foods industry, nor its critics.

The industry's umbrella group, the International Council for Infant Food Industries (ICIFI) agreed to stop advertising in developing countries at a meeting here in October, 1979. But U.S. companies are now crying foul, complaining that the code is too restrictive. At the same time, one hears complaints that WHO and Unicef may be exceeding their mandate and infringing national jurisdiction in pushing the code.

In the other corner, critics of the industry are bitter because they feel the code is too loose: Although it bans direct "advertising," it does allow the companies to continue sending out "informa-

tion" on their products — a hazy distinction, and one that could be used to give WHO's medical seal of approval to baby foods.

The critics — a worldwide coalition of churches and consumer groups — have already started to document alleged advertising in breach of the 1979 agreement, and they make no promise to lift the Nestle boycott in the United States. Another is currently under way in Sweden.

So poisoned has this debate become that there is now a real possibility that the WHO code may fail to pass next week's assembly meeting. This would be a tragedy — for health, for the WHO, and for private industry.

For example, take WHO: It is not true to say that the code lies outside the agency's mandate. Last year's assembly unanimously endorsed the principle of the code. Of course it is restrictive, but then so was the triumphant campaign to eradicate smallpox, which trampled all over national frontiers and prejudices. That 10-year program cost \$312 million, but the saving from vaccination procedures — let alone from the insidious drain of the actual illness — is put at \$1 billion a year. Today's unhealthy world needs more such initiatives from WHO, not less.

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Now that there are the companies — and, at their shoulder, governments like the United States which are committed to free, unrestricted trade. Put into perspective, however, the code is as remarkable for what it does not say as for what it does. It does not enjoin the companies to sell through government outlets or restrict sales across the counter. It does not stop the sending of "educational" material to the medical profession.

In addition, it is — in its present form — a recommendation, not a legally binding. In other words, it is up to the governments of the Third World to apply it or not: To suggest they should not be free to do this is arrogant — particularly as private industry submits to a host of curbs and quality controls in Western countries, where the level of health is far higher.

**Why the Concern?**

So why the concern? Mainly, it appears, because the code applies universally. Although the principal problem is in developing countries, the campaigners are already training their sights on Western countries — the high rate of infant mortality among ethnic minorities like Indians and Eskimos, and the fact that as many as 25 percent of all Western babies may be overweight because they are weaned too quickly from breast milk.

The value of breast milk is not limited to the Third World: But any such extension of the code in the West would clearly threaten the companies' most lucrative markets.

Furthermore, the code sharply exposes the shadowy notion of corporate responsibility. Can companies be expected to answer for the misuse of their product, or the social conditions in which it is used? Critics say yes — if they have promoted it vigorously. The companies say no: And in this they are supported by the drug industry, which will again be urged by WHO here next week to restrict its sales of expensive Western drugs in the Third World to 190 "essential drugs," and by tobacco giants, which are eager to exploit the less restrictive Third World market —

health is lower and the risks from lung disease higher.

But while these aspects of the baby foods code may promise a growing thicket of curbs, it also points to opportunities for private industry. Instead of the inventive heard in other UN agencies, WHO holds out the possibility of a partnership with industry in meeting the health needs of the Third World, and overcoming such mass killers as malaria, malnutrition, water-borne diseases.

The success of the baby foods code would point in the right direction. Its rejection would be a major setback.

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## Wrong Signal From Reagan?

By Philip Geyelin

WASHINGTON — In an interview with The Washington Post on March 27, President Reagan said he wanted to keep his campaign promise to lift the grain embargo against the Soviet Union, but didn't see how he could do it without sending the wrong signal.

A month later, he lifted the embargo as a misguided attempt by Mr. Carter to affect events in Afghanistan.

No problem. Secretary of Commerce Malcolm Baldrige said on ABC's "Issues and Answers" last weekend, adding: "It was not [Reagan's] embargo in the first place. It was Jimmy Carter's." As for the something-for-nothing argument raised by many critics of the move, Mr. Baldrige maintained the president "never stated it would take a quid pro quo. The fact is he didn't think it was an effective enough tool."

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## Shadow of Coup Bid Falls on Gibraltar

By Victor de la Serna

MADRID — The chill which has overcome Spanish politics since the Feb. 23 coup attempt has reached as far south as Gibraltar. Hopes for a final settlement on the last colony on European soil, which ran high a year ago as Spanish and British negotiators signed an initial agreement calling for the reopening of the border between the crown colony and Spain are now considerably dimmer.

The aborted military coup has decisively affected the behavior of Spanish politicians, in government as well as in the opposition. The week response to the putsch has been accompanied by a heightened sensitivity to the military's wishes and concerns: The coup, it may have failed, but Spanish politics have, since then, evolved in many of the very directions advocated by its backers, from a slowdown in the regional devolution process to direct military involvement in the anti-terrorist effort in the Basque Country.

### Compromise

National sovereignty, which stands foremost among military concerns in relation to the self-government scheme being applied to the regions, is also crucial to the Gibraltar debate. And few observers here believe that Leopoldo Calvo-Sotelo, the new premier, would accede to any compromise to re-opening the border — sealed by Gen. Francisco Franco in 1969 — which would smack of a first step toward abandoning Spain's three-century-old claim to the chunk of its territory occupied by Britain in 1704.

More important perhaps than Spain's own attitude is the renewed distrust of Spanish intentions among the Gibraltarians themselves.

Today's Gibraltarians are not of Spanish descent. They come from a mixed stock of Mediterranean immigrants brought in by the British after they had expelled the original Spanish dwellers. For that reason, Spain has maintained that Gibraltarians have no right to self-determination in the decolonizing process, since they form the "artificial" population of what remains basically a naval base. The UN has upheld that Spanish claim, asserting that "restoration of national integrity," and not self-determination, is to form the grounds of a solution to the colonial problem.

### Impact Felt

Britain, however, has steadfastly defended the interests and wishes of Gibraltarians, who are loyal British subjects. And the Feb. 23 incident in Madrid has created a powerful impact on the Rock, bringing back old fears of authoritarian, authoritarian Spanish rule over Gibraltar.

There have been no official statements by Gibraltar officials, but in private they say, with some satisfaction, that the televised

spectacle of Lt. Col. Antonio Tejero shouting and brandishing his handgun on the floor of Madrid's Chamber of Deputies was "living proof" to the London authorities of the Gibraltarians' assertion that civil liberties were not yet safely installed in Spain, and that any British compromise on the sovereignty issue would seriously jeopardize the Rock's inhabitants.

With reluctance quite apparent on both sides, it becomes hard to forecast tangible results for the mission undertaken by members of the select Committee on Foreign Affairs of the House of Commons, who have just arrived in Madrid to find out why negotiations have stalled since April, 1980.

The reopening of the border was

but one aspect of the agreement signed in Lisbon a year ago, but a crucial one. Spanish officials assert that they won't accede to it if the discriminatory status accorded to Spanish workers and merchants in Gibraltar before 1969 is not suppressed.

Sir Joshua Hassan, the Rock's prime minister, asserts that old limitations will be lifted. This may not be enough to convince the Madrid government to move ahead. Spanish officials, with an eye on the military, are wary of any solution that will give the impression that they are giving in to Britain's every wish with nothing substantial in return.

### Emotional Issue

The whole issue, an emotional one for Spaniards and Gibraltarians, is now enmeshed in wider international implications. There is the question of Spain's eventual entrance into the EEC, thought to be a positive factor for a final Gibraltar solution. But this remains, now more than ever, a future proposition, something to be seen in 1984 at the earliest. Then there is the intriguing decision by Mr. Calvo-Sotelo to press ahead for a very swift integration in NATO, scheduled for next fall: The Spanish premier has made no mention of Gibraltar, despite the fact that a NATO base already exists there and that Spanish politicians have long made it a pre-condition to NATO membership to reach at least a partial solution of the problem of the Rock.

Apparently, Spain is to go ahead with its NATO plans while leaving Gibraltar, for the time being at least, on the sidelines. This is indeed a new development here, one which attest to the sense of urgency which pervades the actions of Mr. Calvo-Sotelo's besieged government.

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حكايات المجلة

# 1 Year After the Exodus, Cuban Refugees' Struggle Continues in U.S.

By Paul Montgomery

*New York Times Service*

**M**ARIEL—A year ago, clinging to the rails of small boats tossing in the squalls of the Strait, the first adventurers among hundreds of refugees from Cuba began their journey to the United States.

With refugees on both sides, the numbers were projected at 5,000 and the forecast ranged from doom to joy, it seemed that the transition of American life would be easy. President Carter caught the mood of the community here when he said in a speech on June 6, 1980, that the new arrivals were "with open arms and an open heart."

The response was a year later in this overwhelmed town of 10,000, widespread bitterness and despair among the many refugees who have not found anything like the welcome they were given.

A sentiment frequently echoed is that they were discriminated against, giving soaring crime rates here. "We let Cuban Communists dictate this to us," said one Spanish woman.

Rock's prime estimate of 80,000 to 105,000 refugees from the old limitations have settled in Dade County or just may not be far off. Though more than half the 16 million. Thought more than half the already Spanish have begun the slow transition to a future without incident or complaint, any solution to the relatives and friends, the group as a whole has often blamed for the few thousand British children become involved in crime or disorder.

British children are tanned in school; their are shunned by employers and neighbors even by many in the flourishing community established 20 years ago.

"It is a denigrating term meaning roughly little one from Mariel," is a word heard on the streets. The term is from Mariel, the fishing port west of where the Cuban authorities herded onto the boats last year.

organizations, bolstering their pleas for federal funds to help the refugees, exaggerate the extent of social disabilities of the new arrivals, further confirming this.

## High Cost

Federal government estimates that the cost of influx will cost \$634 million by Sept. 1, including the costs of detention and resettlement camps, fees paid to voluntary agencies

NATO's element and \$100 million in funds allocated to Spain for maintenance payments, long-term stamps and Medicaid for indigent refugees.

Appropriations do not include state and local

figures do not include state and local

welfare, medical care, extra police

and the like. These figures are

likely, though a Florida legislative com-

mittee gave an estimate of \$90 million for the state for this year and last, including expenses for Haitian refugees. Florida's problems have been complicated by a concurrent but unrelated flood of indigent refugees from Haiti, about 19,000 of whom are believed to be in Dade County.

Figures on the dispersal of the Cubans who arrived last year are also fragmentary, because after the refugees were released from the camps they were free to leave their original place of settlement. Most local governments have adopted the highest figure possible so they could qualify for the maximum per capita federal payments. Since the census cutoff last year was April 1, the new Cubans are not included in the final figures, but Dade County has already petitioned the government to raise its official population by 100,000.

What is certain is that more than 60,000 of last year's refugees originally settled in Dade County, and that many more came here after being assigned elsewhere. For example, the number of 1980 Cuban refugees in the Dade County schools has increased from 13,000 last fall to 14,300 now.

"They all have to see Miami, it's like the promised land to them," said Leticia Godoy of Lutheran Immigration and Refugee Service.

One of the voluntary agencies trying to find places outside Florida for the rootless. "But when they experience it, and can't find jobs and can't find housing, they'll go anywhere else."

However, while the refugees are waiting for sponsors from outside the state, they also look for jobs here, and if they find them stay.

## Distinct Classes

Last year's group, though melted together in statistics and many perceptions, was drawn from at least three distinct classes. The first was the crowd of dissidents, mostly single men, who crowded the gardens of the Peruvian Embassy in Havana beginning on Easter weekend and demanded political asylum. That group, eventually reaching 10,800, was the first to be allowed to leave.

The second wave was made up of as many as 60,000 relatives of the 300,000 Cubans who had fled to the United States in the years after the Castro victory in 1959.

The third group, collected by the Cuban authorities and in many cases thrust unwillingly into the boats, were former convicts, mental patients, homosexuals, and others considered undesirable by the regime. According to the Immigration and Naturalization Service, 23,970 of the Mariel group admitted that they had been in jail in Cuba, and there were more who did not make the admission.

Of the 23,970, a total of 5,486 had been

jailed for political crimes and 16,710 had been

jailed for minor crimes or acts such as being

unemployed or engaging in private enterprise that were crimes in Cuba but are not in the United States. The immigration service considered the rest to be serious criminals. There were also at least 600 mental patients and mentally retarded persons, most taken directly from asylums to the boats, and perhaps 1,500 homosexuals.

Fidel Castro announced on April 21 last year that Mariel would be open for the refugee traffic, and the first boats returned on the 110-mile voyage to Key West later that day. Cuban Americans by the hundreds, many with their life savings in their pockets, bought or chartered vessels to go to Mariel for their families.

By the end of April, the Cuban authorities were forcing the boats to accept those from the "criminal" group before family members were allowed. It was this mingling of wanted and unwanted refugees, officials have said, that poisoned the mood of acceptance in the United States and created the problems that are still not resolved.

And there are problems as well for the more than 20,000 persons who had received Cuban clearance to emigrate but were left on the docks when Mariel was closed Sept. 26.

These people are known on the island as *zapatitos*, those who are bottled up; they have been virtually stripped of any benefits of citizenship and have been issued special identity cards branding them "anti-socials."

But they are unable to leave because of the resistance in the United States to any further immigration from Cuba.

There are still 1,800 Cuban prisoners at the federal penitentiary in Atlanta who have been designated as inadmissible immigrants because of criminal backgrounds. The government has tried repeatedly to induce Cuba to take them back, but the Castro government has refused. The impasse was an important element in the worsening of relations between the two countries last fall and winter.

The Immigration and Naturalization Service contends that these refugees are ineligible for admission to the United States because they have records of felonies or crimes of "moral turpitude."

But the Cuban prisoners, almost all of whom are being held at the Atlanta penitentiary, cannot be deported because the Cuban authorities refuse to take them back. In many cases those authorities forced former prisoners, mental patients, homosexuals and others they regarded as undesirable to board the boats.

Talks between the governments were broken off in January and have not resumed, pending a re-evaluation of Cuba policy by the Reagan administration.

Meanwhile, the situation has produced in-



A Cuban soldier guarding a refugee ship at the port of Mariel before the vessel sailed to the United States. (Associated Press)

tensive questioning of immigration law by attorneys representing the prisoners. In the past, courts have upheld the government's position that it has virtually absolute power over people not yet granted admission to the United States, but the attorneys have sought and won some modifications in behalf of the Cubans, and civil liberties lawyers expect more.

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them are young, single black men with limited education and skills, the type of refugees most difficult to find sponsors for. And many have been in at least minor trouble with the law in Cuba.

Several hundred are resettled throughout the United States in an average week, and officials are now talking of being able to close the camp in June. More than 400 of the hard-to-place persons have been sent to halfway houses established by the National Catholic Conference. The government pays about \$2,000 to volunteer agencies such as the Catholic Conference for each resettlement.

Among those remaining at Fort Chaffee are 137 mentally retarded persons and 330 persons receiving psychiatric treatment. There are also 59 persons classified as violent mental cases being held at St. Elizabeth's Hospital in Washington. The government has been trying to contract with public or private institutions to remove them from the camp.

About 50 prisoners who had records of minor crimes or who were jailed by mistake have been released, and a source in the Bureau of Prisons said that 175 more would probably be eligible if the proposal for the review panel was revived.

While the refugee prisoners have their problems, 2,600 other refugees are still at the resettlement camp in Fort Chaffee, Ark. Almost all

homosexual congregation. Robert M. Falls, the pastor of the church, said that sponsors had been found in the San Francisco area for 171 homosexuals. He said most were working and a few were doing well enough to move out on their own, but that two of the group were in jail for assault and 20 more were "people who have made no effort to help themselves — people who want to party all night and sleep all day."

## Recurring Violence

The waiting for placement has been blamed in part for recurrences of violence at Fort Chaffee.

According to Mike Sweeney, a spokesman, the camp has been sending about a dozen refugees a week to the Atlanta penitentiary because of involvement in the disturbances and in attacks on one another. "I guess the rights of the few have to be made subordinate to the rights of the many," Mr. Sweeney said. "We just can't afford violence here."

Attorneys representing the prisoners argue that such disciplinary transfers mean that the Cubans are, in effect, being tried and punished without constitutional safeguards.

# With Polisario Bases in Mauritania, Morocco Now Faces a 2-Front War

By John K. Cooley

*Washington Post Service*

**W**HITINGTON — King Hassan II of Morocco, the principal ally of the United States in northwest Africa, faces an expanding war in the Western Saharan territory annexed nearly six years ago. His is the growing participation of the ring desert state of Mauritania in the guerrillas known as the Polisario.

Morocco's change of policy is the most significant move in King Hassan's war with the Polisario, who seek independence for their Arab Democratic Republic. The new allies are Mauritania with neighboring Algeria, King Hassan's archenemy, Col. Qadhafi of Libya, in an informal alliance.

This also complicated Morocco's desert war. The Polisario has been operating from sanctuaries in Libya, and the guerrillas also operating from bases in Mauritania, putting the Moroccan Army at a disadvantage.

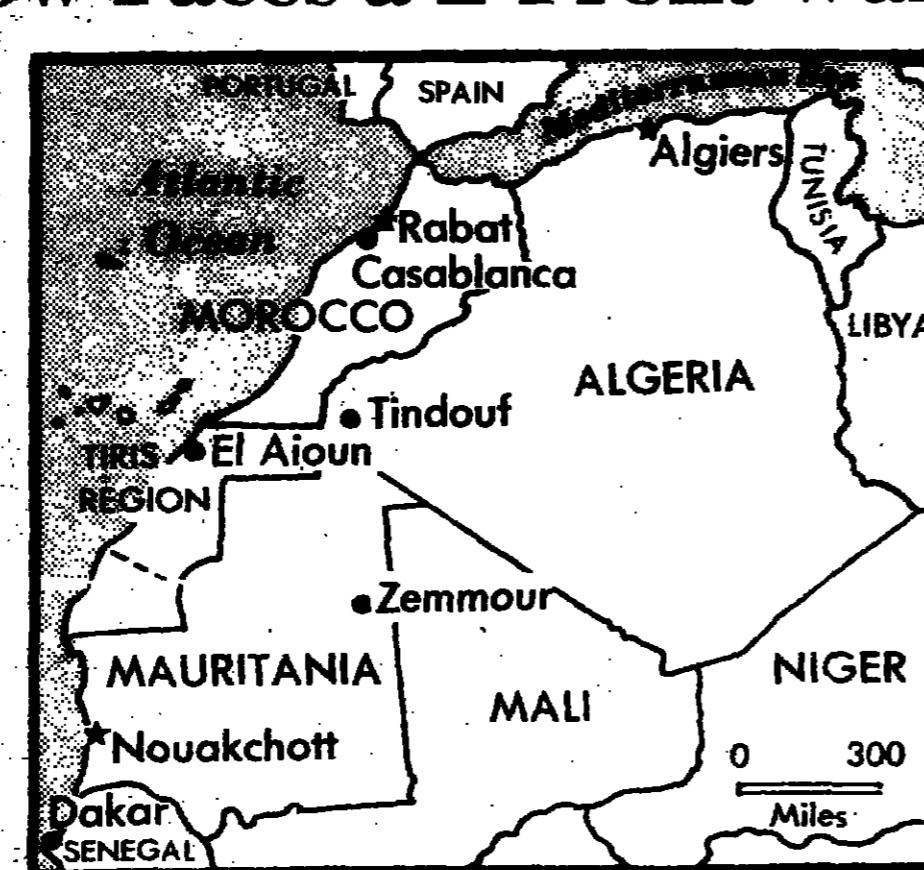
The intensification of adverse diplomatic and military changes is likely to prompt King Hassan to Washington for additional military assistance. More important, the protracted war may sap Morocco's resources to the point where the government could be forced to internal difficulties.

Yesterday, President Mohammed Khousai Haidalla of Mauritania, apparently to his government in the face of pressure from both the Polisario and the Moroccans, named a new Cabinet. Replacing M. Ali Ahmed Ould Boujerra was Lt. Gen. Ould Sidi Ahmed Taya. Six of the Cabinet members are army officers.

Mauritanian shifts precipitated by that began on March 16, when two former army political aides, both former army secretaries, re-entered their homeland legal. In a shoot-out in Nouakchott, the Mauritanian capital, they and several accompa-

nists were killed.

The protracted desert war may sap Morocco's resources and threaten the government with internal difficulties.



The Washington Post

Initially, Mauritania fought with the Moroccans against the Polisario attempts to claim the entire territory. In 1979, however, Mauritania withdrew from the war and, despite Moroccan attempts to prevent it, virtually ceded its part of the partitioned territory to the Polisario.

Still, until this spring, the guerrillas' only main rear base was in the north, near the Algerian oasis of Tindouf. The opening now of a southern front, out of bases in Mauritania, places King Hassan's 50,000-man force, supplied by the United States and France, in the middle of a military muddle.

**Defense Line**

By late March, Polisario raiding parties armed with Soviet weapons supplied by Algeria and Libya began a series of attacks against the Moroccan fortified defense line near Guelta Zemmour.

The 500-mile (800-kilometer) desert line is equipped with U.S.-supplied sensors, monitored from the air by helicopter gunships, Mirage F-1s, U.S. Northrop F-5s and newly acquired Rockwell OV-10 Bronco counterinsurgency aircraft.

A desert war of attrition such as the one Morocco has fought against the Polisario would be difficult to win without direct attacks on Polisario sanctuaries in Algeria or on supply lines from Libya, Moroccan Army officers believe. But such attacks would likely trigger full-scale war in North Africa.

Many African specialists believe that Col. Qadhafi's next major military adventure will be in the Western Sahara, where he has supported the Polisario nationalists since their first uprising against Spanish troops before partition in 1975.

## Skepticism in U.S.

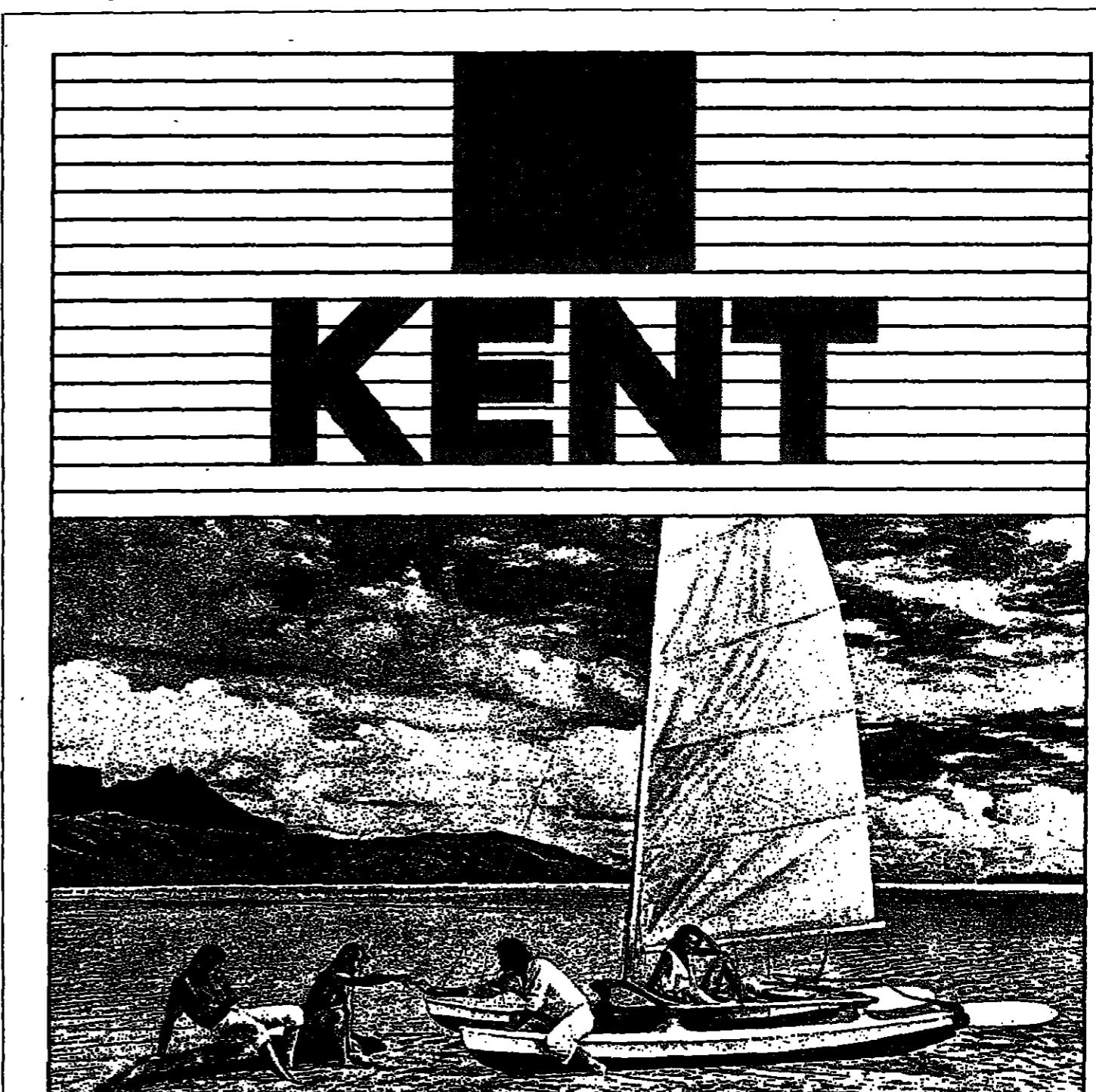
All for the coup attempt in Mauritania in March, State Department officials in Washington publicly accept Morocco's disclaimer of responsibility, but they say privately that King Hassan's government must at least have known of the plan in advance. They agree its intent was to halt the widening of the Western Sahara war by eventually expelling the Polisario from Mauritanian bases.

These new bases, from which the highly mobile guerrilla columns already are launching attacks on the Moroccans farther north, are in the so-called Tiris region. This is the southern slice of the western territory once known as the Spanish Sahara, which in 1975 was divided between Mauritania and Morocco.

**Polite Rejection**

Mauritanian leaders said, however, that they had "politely" rejected the union and that they were noncommittal toward Qadhafi's suggestion of a new "revolution" of Libya, Algeria, Mauritania, and Polisario.

leaving Nouakchott, Col. Qadhafi cited an "impending Arab counteroff-



Fresh. Calm. Mild.

KENT The taste you'll feel good about.  
The mild International cigarette.

Famous Micronite filter.





**THEN AND NOW:** Monaco draws as many celebrities today as in the past. From left: Colette being serenaded, Josephine Baker with friend, the great Sarah Bernhardt, Winston Churchill. More recent visitors: Yves Montand with Lino Ventura, Jordan's Queen Noor, chatting with Minister of State Andre Saint-Mieux, Jimmy Connors, hammering it up after a tennis match, and David Niven.

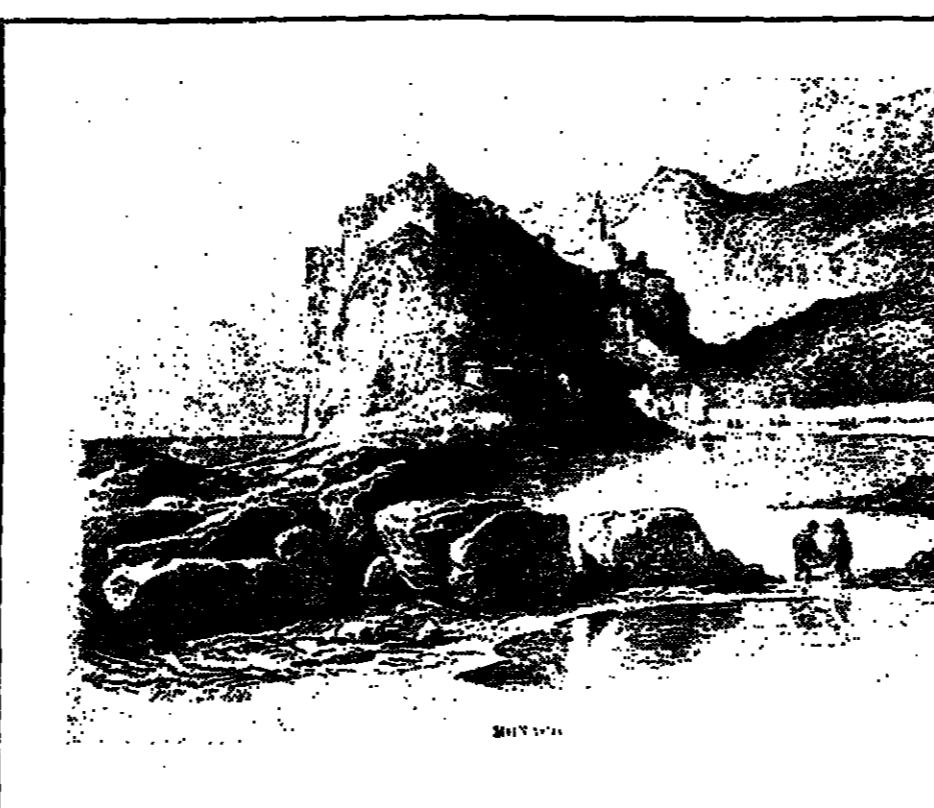
## the race

By Jody Scheckter

FIFTEEN EVENTS IN 15 COUNTRIES EACH YEAR MAKE UP THE mid of professional grand prix racing. Of those 15, the Monaco Grand Prix is the best — from every point of view. And I say that not because Monaco is my adopted home or because I have twice won the event. Monaco is unique in that is not only a top-class motor race but a very top-drawer social event as well. I

venture that there are more celebrities, more private jets, more diamond-clad ladies, more champagne at the Monaco Grand Prix than at any two social or sporting events put together. For starters, the place has everything going for it. It is a tiny principality with its own royal family, and everything about it is famous, from its casino to its yacht harbor. Even without a motor race it is an attraction. Add another ingredient: The world's fastest, most glamorous, most expensive cars racing through the tight streets. It is what they call box office in the theater business. It also happens to be the slowest of all grands prix during the season and that ironically, is what helps to make it a great spectator success. The paying customers can actually see the cars going

(Continued on Page 14S)



'I have flown over a dreamland by a delicious hilly road. The inns are quite passable and there is not a trace of brigand on the road.'

Stendhal, 'Les Carnets'

INTERNATIONAL  
**Herald Tribune**

Published with The New York Times and The Washington Post

APRIL, 1981

*Monaco*

A SPECIAL SUPPLEMENT



## evidence of life'

By Anthony Burgess

TELL ITALIANS THAT I LIVE IN MONTE CARLO. IF I SAID Monaco, they'd assume I meant Munich. Still, I don't live in Monte Carlo but the Condamine, the valley that lies between the temple of gambling built on a hill and the princely promontory known as Monaco Ville. The whole principality of Monaco is very small, but it has its well-marked divisions — social and even linguistic. I do not live among the rich, and I possess no dowry that looks upon their yachts and bronzed flab. I know none of the rich, except our delectable, kind, human and highly talented princess. I'm here get on with the job of writing.

It may not be much of a tribute to a place to say that one's initial desire to live there had much to do with its tranquility, its freedom from muggers and batters. But having suffered in Italy from robbers, mafiosi and the chance discovery of the proposed abduction of my son, I was necessarily suffused with awful negative impulses when I fled from the turbulent republic to the calm principality. Living in Monaco, having grown used to the crimeless placidity, I find that I never liked republics much anyway. I'm happier under a monarchy, however small. Here we have a benign and intelligent prince and an independent that the French, alas, have never looked upon tolerantly. That other public, which went further than Italy by cutting off the head of its lawful king, rather envies us.

Despite the inevitable rash of high-rises, Monaco retains a good deal of the architectural charm of a more civilized epoch. It is not quiet, especially when Grand Prix spins its deafening cocoon about and the summer traffic thrums like blares, but I'm one of those writers who like the evidence of life going on outside the room with the books and the typewriter. I'm also unenviously intent to know that a lot of big things go on here in which I'm not involved — las and balls and oceanographic conferences. And I like to think that the sky are enjoying a well-heeled leisure while I'm slaving away.

Writing doesn't feel all that much like slavery in a Mediterranean ambience. It feels more like, and is, a glorification of life, as much as pressing olives and tapes. The important thing is that the writer's occupation is not despised, as it tends to be in cities dedicated to the hard graft of commerce. In Manchester and Milan, the artist is made to feel parasitical, or else, which is worse, he is owned upon at cocktail parties. There is no fawning in Monaco, which is blase out genuinely big people, not mere humdrum writers. Monaco has seen Mata Hari and still sees Frank Sinatra. Its princess was one of the prides of Hollywood. There is no provincialism, nor should there be when there is a great theater and a ballet and an opera and a fine symphony orchestra. Writers are

(Continued on Page 14S)



PRINCE ALBERT

## the palace

By Hebe Dorsey

THE PROTOCOL AROUND PRINCE RAINIER IS JUST TOO much. Guards in white spats pace in front of a gingerbread palace, doormen keep you out of the outer courtyard, bemuddled concierges usher you from one waiting room to the other — so naturally, you expect a "King and I" figure on a gold throne. But Prince Rainier, wearing a dark gray flannel suit, looks more like a prosperous businessman. He sits in the comfortable clutter of a low-key, dark-red office full of mementos such as boats and silver-framed family portraits. On his desk are stacks of thick files. He immediately makes it

(Continued on Page 10S)



PRINCE RAINIER  
AT THE OFFICE



PRINCESS GRACE

## tourism: guaranteeing the old appeal

By David Paskov

IT ONLY THREE STRINGS ON ITS economic bow and two of those — industry and estate — severely limited by the miniature size of the principality, Monaco is clearly forced to concentrate its efforts on tourism.

A year ago, however, Monaco had the image of a rich man's preserve where the world's society moved between the casino and the in-going yachts parked in the port. Today, yachts are still there and the Salle Privee of the casino attracts a privileged clientele. But the visible tourists are young executives and families, many of them American.

Monaco has actively swung its tourist program toward attracting the convention trade. In a year, for example, there were 156 congresses that brought in more than 38,000 people with their peripheral expenditures on restaurants, shopping and, of course, gambling. At last year was a record low for Monaco in terms of the American trade balance of the fall in

the dollar, the general recession and increased air fares that particularly hit the long-haul routes. From a 34-percent share of the tourist trade in 1979, the American tourists constituted only 18 percent in 1980.

The result has been a 2-million-franc campaign shared by the Tourist Office with local companies like Loews and SBM and largely aimed at the American media, as well as a step-up in the routine work of the Monaco Tourist Bureau in New York.

Such television spectaculars as the Monte Carlo Show, costly to produce, are expected to show big returns in the overall hold on the American market.

A direct-mail campaign resulted in 400 responses out of 1,600 congress organizers contacted. "That's 400 potential clients," said the Tourist Board director, Louis Blanchi. So Monaco is extending this direct-mail coverage to certain countries in Europe.

Fortunately for Monaco, some of last year's

loss on the American swings was picked up on the Europeans. As Mr. Blanchi pointed out: "French, Italian, British and German clients balanced off the absence of the Americans but did not completely compensate for it."

The French in 1980 totaled about 48,000 visitors (an increase of more than 17 percent), taking the top tourist position away from the Americans (down from 62,376 in 1979 to 36,442 in 1980 — a drop of 41.5 percent). The Italian trade picked up nearly 18 percent with more than 36,500 visitors.

But it is the American market that Monaco is out to attract with its current slogan: "Monte Carlo — A Dream You Can Afford." Mr. Blanchi said that the slogan was aimed particularly at the "quality" tourist — the young executive who comes for a congress, brings his wife and enjoys the water-skiing, golf, tennis and other facilities. Coupled with the provision of top-class congress facilities, this means maintaining an atmosphere

of tranquillity, quality and security, Mr. Blanchi said.

"We do not believe that a policy of low prices or even reduced-price offers is what is needed for the success of tourism in Monaco. We feel that, if the touristic product is of quality, if the clientele finds in Monaco everything it has the right to expect as regards a welcome, as regards services, whether at the hotel level, restaurant level or other activities, and if the quality-price relationship is right, the clients will come to Monaco because they will find here what they can find nowhere else: security, the cleanliness of the city and refinement."

Individual visitors still account for 70 percent of the tourist trade and this relationship to the congress trade is about right, Mr. Blanchi said.

But care is being taken to keep the tourist trade brought in by bus and private cars from intruding on the obvious elegance of such places as the Casino Square.

There are plans to renovate the big tourist at-

traction of the Cafe de Paris and to park the buses further away.

Generally speaking, in Monaco there are two main areas of tourism spread in an arc around the sparkling square of the port itself: To the east up on the casino hill are the elegant shops, the grand hotels, the top-class restaurants; to the west is the more touristic old city with its twisting alleyways of cafes and souvenir shops clustered around the palace area: between the two is the port itself.

Along with the increasingly large number of events held in Monaco, such as the Grand Prix, that already attract peak-period visitors, Mr. Blanchi foresees at this year's end a possible new project in the form of a "Tourist Passport." This would offer certain facilities centered around the present events. "Weekend or longer visits will be the theme offering a range of possibilities. It's a new tourist product aimed at improving hotel occupation in the November-to-March period — you might call it our warhorse for the winter."

# shops

THE ELEGANCE OF TOP Paris fashion is represented in Monte Carlo with boutiques along the two roads leading off the Casino square — the avenue des Beaux Arts and the avenue de Monte Carlo.

Here you'll find names like Scherrer, Saint-Laurent, Celine, Hermès and a host of others in fashionable boutiques side-by-side with jewelers who just have the right necklace or bracelet to match any fashionable outfit you might be tempted to buy.

Not far away on the boulevard des Moulins are shops selling Louis Feraud, Ted Lapidus, Guy Laroche or Ricci as well as Dior or Jourdan shoes. And for the more everyday garment you might want while you're on holiday, there are shops on the rue Grimaldi, which runs between Monte Carlo and Monaco-Ville behind the La Condamine port area, and the avenue Princesse Caroline, which cuts through from the rue Grimaldi to the port itself.

Generally, the clothes offered in Monte Carlo boutiques are the kind you need for an elegant life in the sun, and if tennis is your game, you should note that Bjorn Borg has opened a sports shop on the avenue Princesse Grace.

Princess Grace gave shopping a boost when she set up the Princess Grace Foundation in 1965. It encouraged the local artisans and now has two shops, both called the Boutique du Rocher, where Monegasque potters, painters, weavers and other craftsmen can exhibit and sell their products. The boutiques are situated close to the



The principality through the eyes of Jean Cocteau.

mairie on the ancient Rock of the Grimaldis and close to the Casino on the other side of town.

Monaco artist Claude Rosticher (who designed one of the principality's stamps) not long ago opened a small gallery at 3 rue de la Collé, not far from the station. There, Monegasque weaver Betty Gazzello can offer handwoven

jackets at about 1,000 francs, or a complete jacket and skirt at 1,250 francs. She can demonstrate how it's done on a loom in the shop.

Downstairs is the main art exposition, with such work as pottery figures by Emma de Silgardi and curious metal sculptures by Father Rious, the artist-curate of the church of St. Martin in Pelle.

(Continued from Page 95)

clear that he would rather skip the cliché subjects he has had to address all his life — such as Monte Carlo, the tax haven. "Untrue," he said. "It's still a place with moderate taxes, but there's no tax evasion." Another subject is Monte Carlo, the operetta land, a wealthy people's playground. "OK," he said. "It's not that. But it's not only that. With [Jacques] Cousteau director of the Oceanographic Museum this is a meeting place for international sea experts. The other fact is that we've diversified from just tourism, which is a very fragile source of income. I've tried to make room for small, nonpolluting industries. You know how strongly I feel about pollution."

He is aware that he has been under fire for turning Monte Carlo into a glass and cement metropolis, a miniature Hong Kong. "I know it's point of criticism, but one has to realize that Monte Carlo was so reduced. From 20 kilometers, we were left with one and a half kilometers, which is not much, you know. The only solution was to go high-rise. Maybe some things have been exaggerated. It was necessary because of the exiguity of the principality. But now it's over."

The prince does not mind talking about Monaco's size, its place in the world, what it's like to be a prince. How does he see his tiny nation sitting at the same table as world powers? "Some people say small monarchies are passé. I think they're a very good balance."

Prince Rainier has indicated that he may soon step down and let his son, Prince Albert, take over. Asked about that, he said:

"Yes, I'm not a hanger-on. I have an excellent rapport with my son. He is understanding, human. He will graduate [from college] at the end of May. Then I think he'll do what he wants to do. Something in Europe. Maybe a stint in the military world. If you want to command people, you have to be commanded. I don't want to push him. He'll have to decide."

"Amherst [the college in Massachusetts where the prince went to study] was his choice. It was a good choice," Prince Rainier added. "He'll major in political economics. So now he's got to say what he wants to do. He has to know about the administration of Monaco — a bit boring, but he has to get acquainted with our laws and budget conditions. Then, when he feels ready, and I think it's time, he'll gently take over. I'd like to still be able to advise him if he wants me. It's very tough in the beginning. There are a lot of questions."

He added: "Because it's a small country, it's always a question of persons. That's why the change will have to be progressive."

The prince and Princess Grace celebrated their silver wedding anniversary on April 19. They were not in Monaco but rather on their way to a visit to Japan. The celebration, a party at Frank Sinatra's home in Rancho Mirage, Calif., was for 40 people — family and friends. Neither the prince nor Princess Grace wanted a big ceremony. The prince is not big on social life. He goes to his own charity-oriented galas and happily skips others. He often gives the impression of being thoroughly bored. "Yes, that's a bit true. I don't enjoy big parties because I find them rather useless. You can't speak to

everybody. I feel trapped. It's a loss of time. That's why I like informal parties. I try to remain free. Otherwise, you become mechanized. But that doesn't mean I'm a hermit. I enjoy going out."

It is no secret that the prince loves the circus, "because it's one of the oldest shows in the world. It's a happy show, a family show." He added: "Since I was a child, I was fascinated when I saw them set up their tents in front of the palace. Then, as a child, I went to the circus in Paris. Grock impressed me a lot. Also, I like animals. I like to see if they are well-treated. But I don't like the three-ring American style circus. A circus has to be small, smelly, noisy."

●

He has revived the old-style circus for yearly so-called circus festivals; there have been seven. "We rent a big tent. Four thousand people come for five days. We give prizes. Half the jury is amateur. It's been a success. I really didn't foresee it."

Few people know that Prince Rainier also takes an active part in his wife's Garden Club flower contest. "I'm no green thumb," he said, "but I enjoy flowers. My favorites are roses and carnations." His arrangements, which he always signs "Monsieur de Rosemont," have been described by a friend as "a bit messy but always with a lot of sentiment behind them." One year, the theme was "Moods" and he did "Solitude" with a single rose on a mirrored background. Why "Solitude"? He answered: "This job is a pretty lonely one, isn't it?"

Had he not been a prince, what would he have liked to be? "I wouldn't have lived in a big city," he said. "I would have liked to be a medium-size farmer in a nice climate. I visited the King Ranch in Texas. That's very depressing." He added: "OK, I would have liked to be a navigator and sail the seas." Yes, he used to be on his boat a lot. "Not anymore," he said with a note of regret. "The children have grown up." He does not mention it, but friends say that Princess Grace is not crazy about the high seas.

●

Asked about his favorite hobby, he said: "Using my hands. I have to read so many papers and listen to so many boring speeches that I need the escape. Sports — I play golf, tennis, squash. But mainly we have this little farm [in Mount Agel, up the hill about 30 miles from Monaco] with this little shop. I like to repair things when they break down. That's nice." He is also interested in sculpture and a few of his pieces are displayed in the family's private quarters, the modern wing of the palace. "I have fun with an electric welder," he said. "But it takes time and it's a very dirty job and, alas, I don't have much time."

Does he have friends? "I think it's difficult," he said. "That's what I told Albert. Many people tell you they're your friends. In any position where you have a little power, it makes friendship difficult. I ask my friends not to mix business with pleasure." The prince's eyes dimmed slightly, then he seemed cheerful again. "I think I have a few friends. But probably less than if I was a farmer in Wisconsin."

Grace Kelly, the actress, has a look through the camera.

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With its Italian program, and despite the launch of thousands of "private radios", Radio Monte Carlo steadily increases its audience, and holds a strong second rank behind R.A.I. (the Italian state broadcasting system).

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With a transmitter in Cyprus and broadcasting a specific Arabic program, Radio Monte Carlo reaches 7 million listeners\*\* daily: from Egypt, Lebanon, Syria, Iraq, Saudi-Arabia, Kuwait, Jordan and part of Libya.

\* Source: French CESP January 1981.

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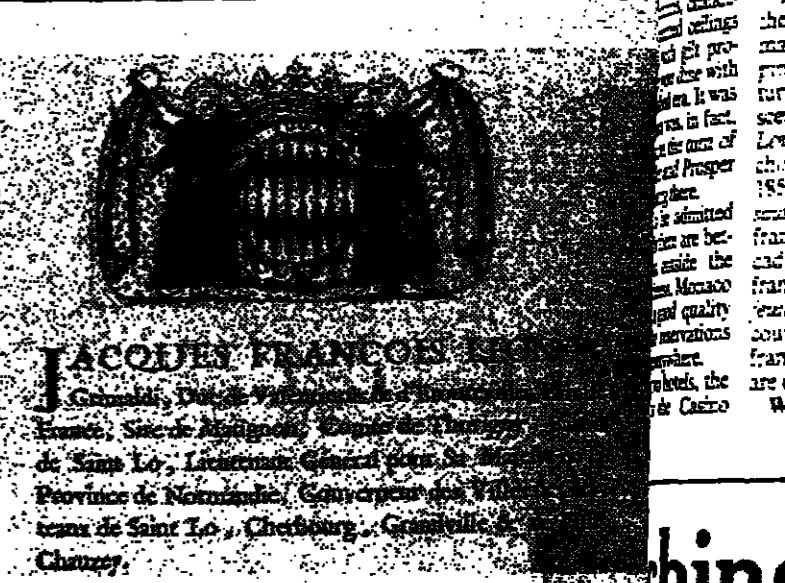


## the coins

ALTHOUGH FRENCH CURRENCY IS THE TENDER, Monaco strikes its own coins. They resemble French coins in size and weight, but the designs are different.

The principality has had its own money since 1640, and at one point during the end of the 19th century, there was also an issue of paper money. Today there are only coins.

The Monacan coins are struck by the principality as a sign-of-its-sovereignty. While French coins are accepted throughout the principality, Monacan coins are accepted in France only in the two departments neighboring Monaco.



Prince Rainier's titles are long, and many.



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## music at the palace

A SERIES OF SIX CONCERTS IN THE PALACE COURTYARD this summer features a lineup of internationally known musicians.

Prince Rainier III and Princess Grace never miss these concerts. They are open to the public and prices range from 20 to 120 francs a seat. The concerts usually start around 9:30 p.m.

The schedule:

- July 15: Verdi's "Requiem." Conductor Lawrence Foster, Prague radio choir. Soprano Pilar Lorengar. Mezzo-soprano Mignon Dunn. Tenor Verismo Luchetti. Bass Paul Plischka.
- July 19: Haydn's "Sixth Symphony." Stravinsky's "Firebird," Brahms' "Concerto for Violin." Conductor Rafael Fruebeck de Burgos. Violinist Henryk Szeryng.
- July 22: Schubert's unfinished "Eighth Symphony in B Minor," Ravel's "Rhapsodie Espagnole," Dvorak's "Concerto in B Minor, Opus 104." Conductor Lawrence Foster. Cellist Mstislav Rostropovich.
- July 26: Beethoven's "Egmont," Mendelssohn's "First Concerto," Brahms' "First Symphony." Conductor Gary Bertini. Piano soloist Bruno-Leonardo Gelber.
- Aug. 9: Rossini's overture "La Pie Volente," Chopin's "Second Concerto." Prokofiev's "Fifth Symphony." Conductor Aldo Ceccato. Piano soloist Martha Argerich.
- Aug. 12: Mozart's "31st Symphony." Tchaikovsky's "First Concerto." Gershwin's "An American in Paris." Conductor Michael Tilson Thomas. Piano soloist Alexis Weissenberg.

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## art

By David Paskov  
and Jim Ritchie

MONACO DIFFERS IN EVERY way from the rest of the Côte d'Azur, and the art world of the principality is very special, too.

Along the resort stretch of the rest of the Riviera, most galleries are directed solely toward providing something for the tourist to take home.

There are the portraits, for some reason often of the standardized clown, the forlorn children with their sad visionary eyes, the seascapes, landscapes and still-lifes that get replaced by the same mechanical work as they are sold.

That exists in Monaco. But there are serious galleries, too. Art reflects its market, and in Monaco there is money to buy works of exceptionally high standards.

The big boost given the Monaco art scene undoubtedly came with the arrival of the Sotheby Park-Bernet auctioneers in January, 1975. Dr. Stephen Cristea, who now runs the Monte Carlo office, arrived a little before that date to work out the details of the operation now housed in the Winter Sporting Club building on one corner of the Casino Square.

Dr. Cristea was a lecturer at Cambridge and Manchester universities before he joined Sotheby's. He grins without commenting when asked if it was an aspect of the so-called brain-drain that led him to quit the academic scene for a place in the candidly commercial part of the art world.

"I suppose it was a question of wanting a change," he admits when pressed. It was a change of lifestyle that led him to Florence for Sotheby's before he came to Monaco. "Quite frankly we came here because it was the nearest we could get to operating in France, where the law excludes outsiders from operating auction sales."

The Sotheby office in Monte Carlo tries to specialize in French work, and on the whole French work in Monaco brings more than it would in London.

Another dealer pointed out that the French who come to Monaco like to buy French work, the English, English work and the Italians, Italian.

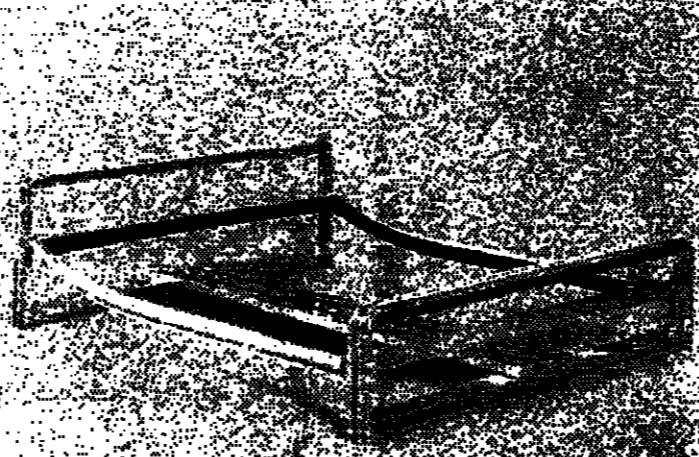
The same dealer credited the Americans with being the only experimental buyers who come to Monaco ready to look at everything.

Sotheby's four to six auctions a year now bring dealers from all over Europe, and they have made considerable inroads into the art world along the Mediterranean coast.

Naturally this stems from the fact that the work they sell is of an especially high quality, and in recent years they have had particular success with Art Deco and Art Nouveau.

Last year they achieved a world record with the sale of a bed designed by Louis Sognot and Charlotte Alix in the early 1930s. In aluminum and chrome, the bed was once owned by the Maharaja of Indore. Sotheby's sold it for an auction-stopping price of 560,000 francs (about \$110,000 at today's exchange).

They have also sold an extremely important Louis XV ormolu-mounted marquetry corner cabinet



This bed, designed by Louis Sognot and Charlotte Alix in the early 1930s, was sold in a Sotheby's auction for 560,000 francs.

for the highest price achieved for a single piece of furniture — 7.6 million francs. A Rodin bronze study for "Les Bourgeois de Calais" dated 1886 topped 1 million francs, the highest price for a Rodin bronze.

With art dealers traveling the world today in search of such treasures, some very important work has been attracted to Monaco galleries by the very presence of the dealers.

A few minutes' walk from the Casino is the Le Point gallery (1 avenue du Grand Bretagne) which

specializes in top-class abstract and surrealist modern artists, whose work is generally difficult to sell in Monte Carlo. The gallery is well laid out and in the past has shown works by Manzou, Sutherland and surrealists like Max Ernst, Dalí, Picabia, Magritte and Tanguy.

The work the gallery stocks permanently is of the same high quality: It has what experts consider a perfect small drawing by Tanguy made in 1931, one of Dali's important oils from 1934 and a pair of Balthus watercolors done in 1940. And Le Point regularly schedules shows of what it calls "young painters," under which heading it includes artists like Twombly.

Almost on the Casino Square in the Winter Sporting Club building is the Monaco Fine Arts Gallery, owned by Michael McKee, a Briton. He had a gallery in the Excessive St. James' center of the London art world before he came to Monte Carlo five years ago.

Mr. McKee's specialty is the 19th-century *petits maîtres* and especially the English landscape artists. But he also enjoys showing work by the Dutch Romantic school and at the end of July will be showing a collection of about 20 Dutch artists of the last century. There will be work by Hermann Kockkoek, who is perhaps best-known for his marine and coastal scenes, and by his son, William, whose street scenes have made the same impact as his father's work connected with the sea.

The July show will also feature C.H.J. Leickert, a Belgian painter who lived in Holland most of his life and who specialized in winter landscapes. But first the Monaco Fine Arts Gallery will show work by Mady and Batista, a Brazilian couple who exhibit together: She does colorful primitives, he does large wood carvings.

At the beginning of August, Mr. McKee is going to exhibit the Majorca-based Spanish painter Joachim Torres Llado, whose work includes both portraits and landscapes. They are worked onto the canvas in a very strong Spanish style in beautifully stylized figurative oils quite unlike the usual Impressionist fragility. He has a tremendous command of the medium and is well-known for beautiful portraits, among them one of Princess Caroline.

Although it is not in Monaco proper, there is also the more or less annual show by an artist who has been very highly rated. It takes place at the atelier in Roquebrune, about three miles away toward Menton, where American Steve Carpenter both lives and exhibits. His work is figurative and modern but is well-known for beautiful portraits, among them one of Princess Caroline.

In some cases, there's a similar history attached to the clothes. Fashion designers originally worked without human mannequins (it was the English-born designer Worth who started the idea of creating designs on human mannequins during the Second Empire, about 1860). Thus many of the dresses are priceless originals of dresses later made up by the designer. Some of the dolls even have lace underwear.

The idea was used again when the collection was donated to the principality. Princess Grace suggested to friends in the fashion world that it would be interesting to make up similar dresses to demonstrate the designs of 1973. There are now dolls dressed in clothes by Chanel, Lanvin, Gres, Balmain, Dior, Givenchy, Patou and Venet. Among the associated exhibits

## museums

IT'S A FAR CRY FROM THE nursery idea of a doll. When you enter Monaco's unique National Museum of dolls and automatons, you are struck by the vision of a bygone age — in miniature.

Originally in the hands of a private collector, Madeleine de Galea, they were donated to Monaco by her grandson, Christian, when she died in 1968.

Recognizing the special value of the collection, the principality put a restored to work for the next three years (the collection had not been on public display for nearly 20 years) and prepared an elegant 19th-century villa designed by Charles Garnier (the architect for both the Paris and Monte Carlo opera houses) to receive it.

The museum opened to the public in 1972 (avenue Princess Grace, opposite the Centenary Hall). You can visit it daily between 10 a.m. and 12:15 and between 2:30 p.m. and 6:30 except on certain holidays and during the Grand Prix, when the road outside forms part of the track. The price is 10 francs for adults and five francs for children from 5 to 15.

In full Mediterranean splendor, with the sea just down the hillside, the Garnier Palace is set in a garden with about 1,200 rosebushes of 38 varieties. Rodin and Maillol statuary in the garden sets the mood for the unusual, silent but lifelike figures waiting in the villa.

There are 2,000 articles on display, including 600 dolls and 80 automatons. Certain of the automatons are set in motion each day at various times between 3:30 p.m. and 5:30. Suddenly Buffalo Bill is leaning on his rifle and smoking a cigarette, a dark snake-charmer is seductively writhing in her gold lame dress and flashing long eyelashes, a turbaned black prince is smoking his hookah and sipping coffee, a barrister is pleading his case with fine gestures and blinking convincingly at the jury. Automatons bow, play instruments; the barrister even talks.

The museum includes a demonstration exhibit donated by Michel Bertrand, who restored the automatons for the de Galea collection, that shows the 17 skills required by various craftsmen to make a working doll.

Many of the dolls are displayed in typical settings — the cook in her kitchen surrounded by miniature copper pots and pans. The furniture in these settings has a history of its own. It seems that, when wealthy people ordered something from a cabinet-maker, the craftsman would first fashion the piece in miniature so that the client could see what it would look like. Somebody, somewhere, sometime in the 19th century must have lived with the full-size versions of the furniture in the museum.

In some cases, there's a similar history attached to the clothes. Fashion designers originally worked without human mannequins (it was the English-born designer Worth who started the idea of creating designs on human mannequins during the Second Empire, about 1860). Thus many of the dresses are priceless originals of dresses later made up by the designer. Some of the dolls even have lace underwear.

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## Monaco



Miniature harpsichordist and Pierrot.



Prince Rainier, Princess Grace in tiny wedding.

are miniature newspapers, books, Wedgewood, a dinner service, shoes and even musical instruments.

Annette Bordeaux, who is in charge of the exhibition, said that about 100,000 people visit the museum each year and that the main reaction is surprise. Apparently visitors are not prepared for the culture shock.

Monaco's history is available in visual form in the Waxworks Museum in Monaco-Ville (27, rue Basée). The museum is open Oct. 1 to June 30, from 9:30 a.m. to 6 p.m. and July to September, from 9 a.m. to 7 p.m. It costs seven francs for adults and four francs for children from 6 to 14.

In the section devoted largely to Monaco is a display charter of Louis XII of the era's best makers. There is a bust of Napoleon Bonaparte, a portrait of Horace Sevres porcelain by Horace, embroidered slippers decorated baptism robe of Napoleon's son. The rarest is the flag of the Elba Island battalion, a unique standard from the 1815 battle between Napoleon's escape from Elba and his final defeat at Waterloo.

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# lanc's legacy

USED TO BE A SAYING endorsed by every one who played the roulette in Monaco, that: "Whether black that comes up, it's a win!"

In François Blanc, the founder of the Société des Mers in the middle of the 1950s, may not know it, his company (at least) is still today.

You would be hard at Monaco without putting in one way or another offers of SBM.

SBM owns the place: three luxury hotels, 18 restaurants, a casino that Francois de Polignac, the world's greatest clubs and discotheques, a Casino Beach Club, a b (with 22 courts and a squash court), an 18-hole golf course, land holdings both in and France and revenues of concessionary activities Monaco tick.

Over 2,000 people and the assets totalled 483 million (about \$53.6 million).

1980 was a bad year, more than quadrupled last 10 years while the increase was only a compounding 2.6 percent.

It is that the company is the owner of a management. As SBM's chairman Louis de Polignac, ex-

If there has been some in the past with various managers of the company one might be that some man-

Louis de Polignac

has tried to run things too brazenly. In Monaco you must walk on eggs without breaking them into an omelet."

Theoretically, SBM's control of Monte Carlo is fairly absolute and the government owns about 70 percent of the shares what is good for SBM is naturally good for Monaco.

That was not always the case. In the early 1960s, Greek shipping magnate Aristotle Onassis virtually made Monte Carlo an exclusive domain with a majority share in SBM. While Prince Rainier III wanted to modernize the company's policy and turn SBM into an American-style multifaceted holding company to operate the Monte Carlo facilities, Mr. Onassis pre-

ferred to retain it as an exclusive playground for the wealthy.

The result was a battle that at times became bitter and that ended with Mr. Onassis being forced by financial and constitutional means into a minority shareholder position.

All that is history. But the fact that the government is today the major shareholder may well have contributed to the problems that SBM has faced in recent years.

"There is a very particular situation here," the prince pointed out. "Management here must deal with the public and with the private shareholders and with the government as a shareholder. Not all managers have been able to understand the complexity of the government role."

The most recent chief executive officer of SBM was Bernard Combemale, who resigned this year. He and some of the top management he brought into the company have not been successful in restoring company morale or increasing fiscal growth.

The prince thinks that Mr. Combemale "was a little too anxious to diversify the company into some foreign responsibilities. He was looking for investments in the United States, and while that might some day be the correct thing for SBM, I'm not sure that he and his top management were correct in their timing for such an affair."

As chairman, the prince has been concerned with SBM's day-to-day activities since Mr. Combemale's departure. The next executive officer is not expected to assume his post for another month or two. He is André Saint-Mieux, currently Monaco's minister of state. While the announcement of his post at SBM has not been made officially, he is simply waiting for a new minister of state to take over so that he can move into the SBM job. The fact that the company has chosen a high-level government official for the managing director's slot is, Prince de Polignac feels, a step in the right direction.

Many high government officials often make excellent corporate managers, and in this case I have great hopes for the future of the company. In the last nine years that Mr. Saint-Mieux has held his post as minister, he has shown that he understands the special mentality of this region. He understands the special structure of this company and this country, and he comes to the job with an understanding of the problems we've faced. He is an intelligent man, and as importantly, he is also a diplomat. Those are very necessary qualifications here."

Mr. Saint-Mieux will be moving to a company in the midst of a self-reappraisal, a company that must modernize for the 1980s. The Old Beach Hotel has been redone, renamed the Monte Carlo Beach Hotel and will stay open seven months a year instead of its previous four or five. SBM this year assumed management responsibilities of the Hotel Mirabeau, formerly run by a British group. Within the next year or so, the Cafe de Paris will be renovated, while work continues on some rooms at both the Hotel Hermitage and the Hotel de Paris.

Until recently, SBM had counted heavily on the European games in the casino, such as roulette, 30/40, baccarat and chemin de fer. But the company's 1979-1980 fiscal report showed that receipts at the roulette and 30/40 tables were down 46 percent, while receipts at the American gaming tables (craps, blackjack, punto banco and slot machines) picked up 85 percent. To no one's surprise, the company will expand its interest in the American games.

Earlier this year, the company turned its terraced swimming pool into a health spa complex with the cooperation of the Baden-Baden baths of West Germany. SBM also can be expected to concentrate on its real estate leasing activities. The company recently assumed an interest in the Fontvieille district, which is being developed into a mixed residential-commercial site.

## e strong economy

RE SAINT-MLEUX LOOKS BACK ON HIS TERM AS a period of strong economic consolidation for the principality. In an interview, he pointed out that "there are always ups, because a country unfortunately does not live without ups."

In comparing Monaco's problems with those of its neighbors finds room for optimism. Their difficulty is unemployment and economic growth, he pointed out, while "we have succeeded in raising employment by 22.5 percent during the last nine years ... We have managed to maintain a growth between 10 and 15 percent." He notes that, in an era few governments have balanced budgets, the principality's very sound, balanced budget with a "surplus that we have sought in order to build a reserve."

Saint-Mieux says he does not think the world economic will last 20 years. At any rate, for Monaco, he foresees economic development during the next five to six years.

— DAVID PASKOV

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Monaco has built up a crack police force equipped with the latest technical aids such as computerization. Each man — and they are recruited from among the best of the French police — is in permanent radio link with a central control room and within seconds can flash any report of a raid or even of suspicious movements to his headquarters.

These patrol officers are backed up by a super-efficient plainclothes force, and the specialty of the Monaco security men is crime prevention. Whereas in France hotel registration cards for the French have been dropped, Monaco insists on every visitor being checked into his hotel with exact details of his travel documents. These are then put through the computer for indexes in the world.

With the geographical position of Monaco providing so few access and exit roads, the smartly uniformed Monaco police officers could seal off the principality in seconds.

— DAVID PASKOV



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François Blanc at the races.

test his theory that it is impossible to maintain a perfectly balanced roulette wheel. He believed that imperfections would indeed cause some numbers to appear more frequently than others. After months of compilations, he spent four days at the tables and won \$180,000. The owners then decided that the wheels would be checked and rebalanced every day.

These days, gambling is only a small part of the principality's economy. Tourism has taken its place as the No. 1 industry. But big money remains the backbone of Monaco — not because the principality is a tax haven but, apparently, because those who live there can afford good weather and high prices. The 5,000 or so citizens of Monaco do not pay taxes, but the 30,000 or so foreigners are not exempt from paying taxes to their own countries. Furthermore, French tax freedom for Monaco-based companies was ended with a 1963 fiscal treaty with France that says companies in Monaco doing 25 percent of their business elsewhere must pay taxes there.

The tourists come for the Grand Prix or the tennis tournaments or the Red Cross Gala when Frank Sinatra sings, or simply because they want to see how the rich are different.

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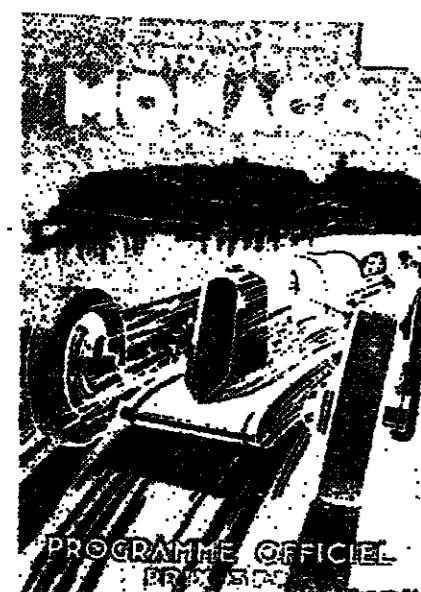
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**les Hauts de Monte Carlo**



## the race

(Continued from Page 95)

round. At their maximum speed of 185 mph, these cars become little more than multicolored blurs.

At Monaco, you can stand on the balcony of the Hotel de Paris and watch the drivers twirl their wheels. With the exception of Long Beach, Calif., which has modeled itself on Monaco, this is the only place in the world where

you can see a grand prix race on real streets. I think the spectator relates more to the sights, sounds and smells of street racing than he does to racing on the wide, clinical circuits.

What makes it special for a driver? It is the most demanding of all circuits. You have to work twice as hard anywhere else — there are four or five times as many braking

points as in any other circuit, six or seven times more gear changes, and when you aim the car at the corner there is no room for error.

Because there are so many corners and braking points, a good lap time is something that a driver relishes because he knows that it is closer to the perfection of his art than any other test that he will ever be put to.

I have sat for hours analyzing the laps and working out how I can save split seconds — maybe by changing gear earlier or later at a particular place, maybe braking earlier or later, maybe by having my mechanic fit a different gear ratio in the gear box, maybe by altering my line of approach. Or perhaps a combination of some or all of these factors. Then you go

out and put the theory into practice and come out with a front-row time. That is a glow of personal satisfaction not often duplicated in a racer's life.

The Auto Club of Monaco also happens to be the smoothest and most efficient of all the grand prix organizers. Over the years, it has had to be because the limitations and complications of staging a race on public roads is organizationally more demanding than doing it on a regular circuit.

The race control center at the grand prix is a junior version of a space center. Video cameras on constant play cover every meter of the circuit and every corner is on a radio link so that when there is a drama the man in charge in the

center can see every part of the circuit and issue directions. That is what well-organized motor racing is. Not waiting until there is a drama to figure out what to do, but counting on the fact that there will be one, and making plans in advance.

Monaco's interest in putting on a good grand prix is not just because it wishes to be remembered by motor sport fans. It also gets well-remembered at the bank. The grand prix is a major money-spinner for Monaco, producing hundreds of thousands of hotel bookings and all the eating and gambling that goes with a high-rolling, four-day weekend. Hardly

any planes fly to places of importance on the Sunday evening after the race. Is that by accident? Whatever, it keeps Monaco's hoteliers happy.

The other thing that makes Monaco special for a winning driver is that he is made to feel very special. Gendarmes escort the winner from his car to the royal box, where he is presented to Prince Rainier and Princess Grace and receives a garland and the trophy from the princess. At other races you jostle and fight along with the second- and third-place drivers for a place on the winners' rostrum, which is populated by three times as many people — usually dignitaries and the "look-at-me" group — as it was ever designed to hold.

## Monaco

### home

By Caroline Grimaldi

AT FIRST THE TEMPTATION is to glamorize one's childhood. But growing up here was easy. It probably is in all small towns with beautiful surroundings. The weather is lovely throughout the four seasons. A lot of time is spent outdoors. But as children we were never quite aware of the total beauty. We never thought we lived in a place that others considered unique.

We had our friends, our habits, our hangouts. Parents never seemed to fret. Monaco is a small town, and everybody knows everybody else. It is a safe, unspoiled place. But by the time we reached our teen years, we all longed for some kind of action. It was not only boring, we were too protected. At 16 we felt out of touch with the rest of the world. Everyone I met would sigh, "How lucky you are to live in such a paradise." I kept my thoughts to myself. I could not wait to leave, and to live. Were we being properly informed? Where was the adventure we deserved? When would we be allowed to escape?

Strangely enough, people ask me now how I can remain in Monaco all year around. Don't I miss life in a big city? The excitement? The culture? The competition? I do miss that. But when I am away, I long for the Mediterranean, and its cloudless sky. Call it *la douceur de vivre* mingled with a compulsive need for blue.

In order to avoid the tourist invasion during the months of July and August, I am sometimes a tourist somewhere else. But I return when the last para-sol is folding at the Monte Carlo Beach Club to witness the subtle changes in the light, to taste the chill in the air on those first days of autumn. With the nostalgia of another lost vacation, I feel in my bones that it belongs in Monaco.



Caroline Grimaldi is Princess Caroline of Monaco.

### evidence'

(Continued from Page 95)

not fated. They're allowed to get on with the job of writing.

There is a sense, too, of being quietly in the middle of things. A 10-minute walk up the hill takes me to the railway station and the *train à vapeur* to Paris, Rome or Barcelona. There is a sense, too, of an older and once brilliant civilization, whose language was Occitan (still to be heard in the bars of Monaco Ville, where it is called Monégascan) and which stretched from Catalonia to Genoa. There is also the sun and the sea and Côte d'Azur. I have worked hard in Monaco, but I have never felt oppressed either by the work or the heavy hand of the bureaucracies that are flourishing in less blessed spots. Monaco may well be the last of the earthly paradises.

years, and both the AFIM and John Taylor agencies say that there is already a large demand for them. Fontvieille will be a mixed residential-commercial site, with underground parking, light industry, a modernized soccer stadium, a school complex, office space, a covered market and public parks.

There are generally established commissions in the real estate market in Monaco. The agencies do not take a commission from the buyer if the apartment is new, but do receive a 5-percent commission from the promoter. On a resale, the agencies work on 5 percent from the seller and 3 percent from the buyer. The value-added tax of 17.6 percent is included in the price of the apartment. In addition, there is a 2½ percent fee that must be paid to the notary for handling the paperwork, and a registration fee of 6½ percent if the apartment is more than 5 years old.

Because Monaco is surrounded on three sides by France and on one side by the sea, expansion possibilities are limited. The reclamation of land from the sea has been one of the important advancements under the reign of Prince Rainier III.

A project is under way to add 18 hectares to the principality by creating an area called Fontvieille. It is located immediately beneath the prince's palace, in a part of the country that until now had been reserved for light industry. As many as 2,000 apartments are planned for the next seven to eight

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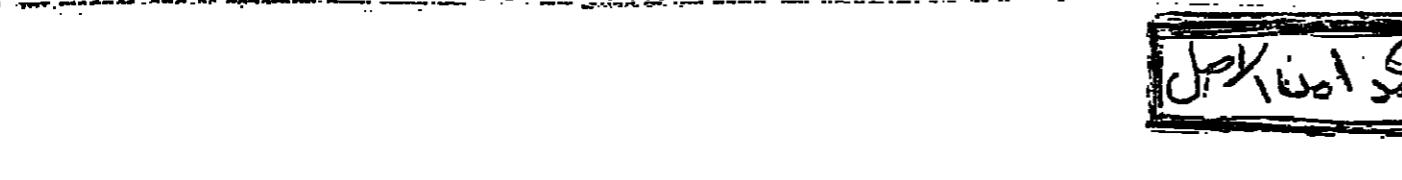
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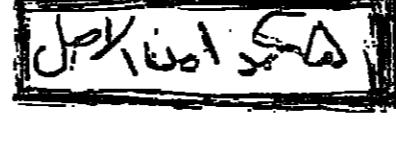
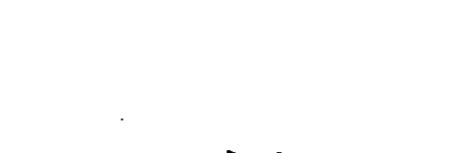
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## **NYSE Nationwide Trading Closing Prices Apr. 29**

Tables include the nationwide prices up to the closing on Wall Street.

(Continued from page 8)

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# **Flash...Paris Bourse**

APRIL 29, 1981

40

COMPANY	INDUS.	1980-81 HIGH-LOW	CLOS. PRICE Apr. 29	HIGH-LOW MONTH-TIES	P/E	% YIELD	EARN. PER SHR.— '77, '78, '79	SHRS. OUTS. ('000)	LATEST COMPANY NEWS
BOUYGUES.....	Construct.	985 - 412	720	755 - 738	10	4.4	33.40c - 53.39c - 70.06c	1,500	Gr. to '80: 7.6 B.F. vs. 5.5 B.F. in '79. CNP '80: 151.3 M.F. vs. 109.3 M.F. in '79.
CREDIT COM. DE FRANCE.....	Bank	214.80 - 125.80	210	210 - 209	11	6.7	15.90c - 17.55c - 19.27c	6,197	Net earnings for 1980 were 127,513,000 M.F. against 86,375,000 M.F. in 1979.
ELF - AQUITAINE.....	Petrol	1555 - 445	1070	1105 - 1066	3	4.9	97.00c - 83.00c - 30.00c	18,127	The net profit increased to 4 billion of Francs CFA.
EURAFRANCE.....	Holding	399 - 303	328.50	331 - 329	3	4.4	69.50c - 81.60c - 99.50c	2,193	Current net profit represents F. 26.56 per share against F. 22.28, an increase of 19%.
IMETAL.....	Mining	119 - 52	100.20	102 - 95.80	20	6.4	4.73 - 4.55 - 5.07	7,944	The net dividend will be raised from F. 1 to F. 4.60 representing an increase of 7%.
L'OREAL.....	Cosmetics	729 - 590	644	649 - 645	9	3.0	19.11c - 14.80c - 74.95c	3,940	The consolidated turnover for the L'Oréal group 8,570 billion F. in 80 vs. 6,587 billion F. in 79.
MATRA.....	Electronic	10500 - 4999 2550 - 1856	220	2340 - 2281	14	1.3	337.70 - 580 - 669.30 — — —	1,218	Matra has sold 100,000 video terminals of Tymshare incoming U.S.A.
LA REDOUTE.....	Mail order	618 - 414	578	618 - 601	12	4.0	44.23c - 41.73c - 49.79c	926	Forecast for 1980: Consolidated earnings of the group up by 20%.

**TO INCLUDE YOUR COMPANY IN THIS LISTING - CONTACT MYLENE OFFENSTADT I.H.T. PARIS 747-12-65.**

(Continued on Page 17)

### **Weekly net asset value**



**Tokyo Pacific Holdings N.V.**

on January 1, 1980: U.S. \$66.42  
on April 27, 1981: U.S. \$94.14

**Listed on the Amsterdam Stock Exchange**

**Information: Pierson, Heldring & Pierson N.V.,  
Herengracht 214, 1016 BS Amsterdam.**

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**DREYFUS INTERCONTINENTAL  
INVESTMENT FUND N.V.**

# **THE DREYFUS INTERCONTINENTAL INVESTMENT FUND N.V.**

**INVESTMENT FUND N.Y.**  
**NOTICE OF ANNUAL GENERAL MEETING**

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the Dreyfus Intercontinental Investment Fund N.V. ("The Fund") has been called by the Management and will take place at Handelskade 8., Willemstad, Curaçao, Netherlands Antilles, on May 4, 1981; at 11:00 a.m.

## **AGENDA**

1. Consideration of the declaration of a dividend at \$1.10 per share to Shareholders of record on May 22, 1981.
  2. Approval of Financial Statements for the fiscal year ended August 31, 1980.
  3. Report of Business.

**3. Related Businesses.**  
The foregoing items may be approved by a majority of the shares cast on each item. Copies of the Annual Report of the Fund containing the Financial Statements for the fiscal year ended August 31, 1980, and form of proxy—available in English or German without cost to the Shareholder—may be obtained from the principal office of The Dreyfus Intercontinental Investment Fund N.V., Post Office Box N3712, Nassau, N.P., Bahama Islands, from the offices of the Paying Agents listed below, or from:

Dreyfus GmbH  
Maximilianstr. 24,  
8 Munich 22, West Germany.  
Tel.: 089/220702, Telex: 5/29392.

**Bowling Green Company Limited**  
Managing Director:

**PAYING AGENTS FOR  
THE DREYFUS INTERCONTINENTAL INVESTMENT FUND N.V.**

<p>Regal Screen &amp; Co. Limited 23 Great Winchester Street, London EC2P 2AX, England</p> <p>Banque Internationale à Luxembourg 2, Boulevard Royal Luxembourg-Ville,</p>	<p>Zentrale Agentur für Grosse Gallusstr. 10-14 6 Frankfurt/Main 1 West Germany</p> <p>Roy West Trust Corporation (Bahamas) Limited Mutual Funds Department, P.O. Box N7788.</p>
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**METALS**

A MAJOR REVIEW BY  
RAYNER-HARWILL LTD.

1980-81

1980 was a watershed year for commodities: first the boom heralded by silver's meteoric rise and then came the recession which dampened many hopes. What happened to cause this dramatic change in outlook and why? What has 1981 to offer? This in depth review was written by highly respected brokers in London.

For further details of this Review please contact:

Dravil Development Co. Ltd.,  
28 Marlborough Grove,  
London SE1 5JT.  
Telephone 01-231 3211

Gold Options (prices in \$/oz.)					
Price	May	Aug.	Open	Close	Change
400	100.00-110.00	310.00-320.00	100.00	100.00	-0.00
500	120.00-130.00	340.00-350.00	120.00	120.00	-0.00
525	125.00-135.00	345.00-355.00	125.00	125.00	-0.00
550	130.00-140.00	350.00-360.00	130.00	130.00	-0.00

Prev. open interest: Gold 422,000 oz/oz.

Valeurs White Gold S.A.  
1, Quai de Mont-Blanc  
1211 Geneva 1, Switzerland  
Tel. 31.02.51 - Telex 28.395

European Options Exchange					
Tel. 24/21 AMSTERDAM Telex 13473					
E.O.					
GOLD OPTIONS					
Series	May	Aug.	Oct.	Dec.	Now.
c-675	21.00 a	47.00 a	72.00 a		
c-500	7.00	34.00	58.00 a		
c-525	3.00 b	24.00	49.00 a		
c-550	1.75 b	14.00	28.00 a		
c-575	1.00	26.00	40.00 b		
c-500	2.60	38.00	60.00 b		
c-525	4.00 b	50.00	72.00 b		
c-550	6.00 b	58.00	78.00 a		

Last price in \$/oz. of most active option.  
a = call; b = put; a = calls b = bids.  
Prices provided by EOE and Merrill Lynch International.

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**Notice of shareholders' general meeting**  
Notice is hereby given that the shareholders' ordinary and extraordinary general meeting will be held in Turin, at the offices of SAI - Società Assicurativa Industriale S.p.A., Corso Galileo Galilei 12, on Monday May 19, 1981 at 3.30 p.m. and in case of a second call on Tuesday May 19, 1981 at the same place and time, for consideration of the following agenda:

## Ordinary session

— Determination of fees to be paid to Arthur Andersen and Co., appointed as independent auditors at the Shareholders' General Meeting held on November 28, 1980.

## Extraordinary session

— Proposal to increase the capital stock from 48 billion lire to 54 billion lire through stock dividends of 3 million ordinary shares and 3 million preferred shares to holders of the respective securities.

— Proposal to increase the capital stock from 54 billion lire to 78 billion lire through a rights offering of 12 million ordinary shares and 12 million preferred shares to holders of the respective securities.

— Modification of article 5 of the by-laws.

In order to participate to the general meeting, holders of ordinary shares and holders of preferred shares are required to deposit their certificates, at least five clear days prior to the meeting, at the corporate offices in Turin - 25, via Marenco, or at any of the following banks:

Banca Commerciale Italiana, Banca C. Steinhauslin & C., Banca d'America e d'Italia, Banca del Monte di Credito di Pavia, Banca Lombarda di Depositi e Conti Correnti, Banca Nazionale dell'Agricoltura, Banca Nazionale del Lavoro, Banca Popolare di Novara, Banca Sulbipina, Banco Ambrosiano, Banco di Napoli, Banco di Roma, Banco di Sicilia, Cassa di Risparmio delle Province Lombarde, Cassa di Risparmio di Torino, Credito Commerciale, Credito Italiano, Istituto Bancario Italiano, Istituto Bancario San Paolo di Torino, Itabanca, Monte dei Paschi di Siena;

In the Netherlands: Amsterdam Rotterdam Bank N.V.;

In the Federal Republic of Germany: Commerzbank;

In Switzerland: Crédit Suisse and Société de Banque Suisse;

In France: Lazard Frères & Cie;

In Great Britain: Lazar Brothers & Co. and S.G. Warburg & Co. Ltd.

Holders of ordinary shares will have the right to vote both in the ordinary and extraordinary sessions, while holders of preferred shares will have the right to vote only in the extraordinary session.

THE BOARD OF DIRECTORS

**INTERNATIONAL EXECUTIVE OPPORTUNITIES**

We are a very fast-growing organisation in the computer and word processing business. We have a most impressive record of growth and new product development in a very competitive environment. Over 40% of our sales are international and predominantly within European markets. Our Customer Engineering group is expanding rapidly commensurate with our growth and seeks an experienced individual to assist in managing the financial and administrative aspects of this important segment of our business.

**FINANCIAL CONTROLLER  
CUSTOMER ENGINEERING**

BRUSSELS - BELGIUM

The professional we seek will work closely with senior Customer Engineering and Financial management in the development and implementation of European-wide management information systems, control over asset levels, budget preparation and financial analysis. This individual should be willing to travel approximately 30% of the time.

Good communications skills and interpersonal sensitivities are required. Fluency in English is essential; other languages are considered an asset. Previous experience in a computer company or a sound knowledge of computers is required.

We offer excellent salaries and benefits.

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Very attractive remuneration and benefits.

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Rue de l'Equerre - Zone Industrielle des Bâthumes

93310 SAINT-OEN L'AUMONE (France).

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Your responsibilities are: Internal reporting & reporting to the Bundesbank, determination of the results according to German & American accounting regulations, preparation of tax statements, monetary calculations, annual planning and coordination within the Finance Division.

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# Yankees Defeat Tigers Again, 4-1

Nettles and Bucky Dent before Randolph homered — his first hit in 11 at-bats — in the fifth.

Tigers 4, Mariners 1

In Bloomington, Minn., Pete Redfern, who had retired only three of 11 batters in his previous two appearances, pitched a five-hitter as the Twins downed Seattle, 4-1. Redfern (2-1) retired his 12 straight batters before designated hitter Richie Zisk led off the fifth with a home run. With a homering in his fifth consecutive game, Zisk set a Major League record.

## MLB ROUNDUP

Leading off the Tiger turn-around, the rest of the team was 0-2 against Detroit last night, extending its winning streak to nine games. Redfern homered off

Rangers 9, Red Sox 8

In Arizona, Texas, Pat Putnam's three-run home run capped a four-run fourth and three pitchers combined on a five-hitter as the Rangers routed Boston, 9-0.

White Sox 8, Orioles 6

In Baltimore, Chicago scored six runs in the second and hung on to beat the Orioles, 8-6.

Blue Jays 6, Brewers 2

In Milwaukee, Ken Macha's two-run double keyed a four-run sixth and Lloyd Mossby and Otto Velez hit bases-empty homers as Toronto beat the Brewers, 6-2.

Angels 3, A's 1

In Oakland, Calif., Steven Renko, Don Asce, and Luis Sanchez combined on a six-hitter and Bob Gwin hit a bases-empty home run as California beat the A's, 3-1.

Astros 2, Braves 1

In the National League in Atlanta, Don Sutton and Dave Smith combined to pitch a three-hitter and Jose Cruz hit a double and a home run to lead Houston past the Braves, 2-1.

Rays 11, Padres 2

In Cincinnati, the Reds scored eight times in the fifth to support the Tom Seaver's eight-hitter and trounce San Diego, 11-2.

Pirates 8, Mets 6

In New York, Bill Madlock capped a five-run third with a two-run homer and Mike Easter drove in three runs to back the eight-hitter of Rick Rhoden to lead Pittsburgh to an 8-0 rout of the Mets.

Expos 6, Phillies 3

In Philadelphia, Chris Speier had a single, double and triple and drove in two runs to pace Montreal's 6-3 victory over the Phillies.

Reds 10, Cardinals 3

In St. Louis, the Cards' 10 runs came in the first three innings as they beat the Cards, 10-3.

Mariners 10, Indians 7

In Cleveland, Jim Palmer had a complete game and the Indians beat the Indians, 10-7.

Reds 10, Rockies 3

In Denver, the Rockies' 10 runs

came in the first three innings as they beat the Rockies, 10-3.

Reds 10, Rockies 3

In Atlanta, the Rockies' 10 runs

came in the first three innings as they beat the Rockies, 10-3.

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In St. Louis, the Rockies' 10 runs

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In Atlanta, the Rockies' 10 runs

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